



**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Clyde-Green Springs Exempted Village School District  
Sandusky County  
106 South Main Street  
Clyde, Ohio 43410-1695

To the Board of Education:

We have audited the accompanying general-purpose financial statements of the Clyde-Green Springs Exempted Village School District, Sandusky County, (the School 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 School District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 Clyde-Green Springs Exempted Village School District, Sandusky County, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund type and nonexpendable trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2000 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Clyde-Green Springs Exempted Village School District, taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

January 20, 2000

# CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT

Combined Balance Sheet  
All Fund Types and Account Groups  
June 30, 1999

EXHIBIT I

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types		Account Groups			Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Obligations			
<b>Assets and Other Debits:</b>											
Assets:											
Equity in Pooled Cash and Cash Equivalents	\$4,441,652	\$249,852	\$53,283	\$123,331	\$81,909	\$68,790	\$0	\$0	\$0	\$5,048,817	
Equity in Pooled Cash and Cash Equivalents-Nonexpendable Trusts	0	0	0	0	0	5,383	0	0	0	5,383	
Receivables:											
Taxes	5,340,255	0	258,536	201,095	0	0	0	0	0	5,798,886	
Accounts	590	0	0	0	0	0	0	0	0	590	
Accrued Interest	71,048	131	1,278	0	0	372	0	0	0	72,829	
Interfund Receivable	137,789	0	0	0	0	0	0	0	0	137,789	
Prepaid Items	86,391	1,969	0	0	3,260	0	0	0	0	91,640	
Materials and Supplies											
Inventory	67,891	0	0	0	19,048	0	0	0	0	86,939	
Restricted Assets: Equity in Pooled Cash and Cash Equivalents	165,335	0	0	0	0	0	0	0	0	165,335	
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0	117,398	0	24,635,562	0	0	24,752,960	
Other Debits:											
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0	0	0	0	104,506	0	104,506	
Amount to be Provided from General Government Resources	0	0	0	0	0	0	0	4,945,628	0	4,945,628	
<b>Total Assets and Other Debits</b>	<b>\$10,310,951</b>	<b>\$251,972</b>	<b>\$343,097</b>	<b>\$324,426</b>	<b>\$221,815</b>	<b>\$74,545</b>	<b>\$24,635,562</b>	<b>\$5,050,134</b>	<b>\$0</b>	<b>\$41,212,302</b>	
<b>Liabilities, Fund Equity and Other Credits:</b>											
Liabilities:											
Accounts Payable	\$27,772	\$5,680	\$0	\$1,295	\$0	\$9,076	\$0	\$0	\$0	\$43,823	
Accrued Wages	1,275,688	29,514	0	0	65,600	0	0	96,448	0	1,470,250	
Compensated Absences Payable	0	0	0	0	32,898	0	0	1,436,968	0	1,469,897	
Interfund Payable	0	4,812	0	132,977	0	0	0	0	0	137,789	
Intergovernmental Payable	9,647	0	0	0	0	0	0	0	0	9,647	
Deferred Revenue	4,505,147	0	216,572	168,361	13,823	0	0	0	0	4,903,903	
Accrued Interest Payable	0	0	22,019	0	0	0	0	0	0	22,019	
Due to Students	0	0	0	0	0	43,598	0	0	0	43,598	
Energy Conservation Loan Payable	0	0	0	0	0	0	0	386,688	0	386,688	
General Obligation Bonds Payable	0	0	0	0	0	0	0	3,130,000	0	3,130,000	
<b>Total Liabilities</b>	<b>5,821,254</b>	<b>40,006</b>	<b>238,591</b>	<b>302,633</b>	<b>112,322</b>	<b>53,075</b>	<b>0</b>	<b>5,060,134</b>	<b>0</b>	<b>11,618,015</b>	
<b>Fund Equity and Other Credits:</b>											
Investment in General Fixed Assets	0	0	0	0	0	0	24,635,562	0	0	24,635,562	
Contributed Capital	0	0	0	0	8,757	0	0	0	0	8,757	
Retained Earnings:											
Unreserved:	0	0	0	0	100,536	24	0	0	0	100,560	
Fund Balance:											
Reserved for Encumbrances	426,205	61,246	0	77,492	0	0	0	0	0	564,943	
Reserved for Inventory	67,891	0	0	0	0	0	0	0	0	67,891	
Reserved for Contributions	0	0	0	0	0	5,000	0	0	0	5,000	
Reserved for Property Taxes	835,106	0	41,984	32,734	0	0	0	0	0	909,806	
Reserved for Debt Service	0	0	62,542	0	0	0	0	0	0	62,542	
Reserved for Budget Stabilization	165,335	0	0	0	0	0	0	0	0	165,335	
Designated for Budget Stabilization	319,952	0	0	0	0	0	0	0	0	319,952	
Undesignated	2,675,206	150,720	0	(88,433)	0	16,446	0	0	0	2,753,939	
<b>Total Fund Equity and Other Credits</b>	<b>4,489,697</b>	<b>211,966</b>	<b>104,506</b>	<b>21,793</b>	<b>109,293</b>	<b>21,470</b>	<b>24,635,562</b>	<b>0</b>	<b>0</b>	<b>28,594,287</b>	
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$10,310,951</b>	<b>\$251,972</b>	<b>\$343,097</b>	<b>\$324,426</b>	<b>\$221,815</b>	<b>\$74,545</b>	<b>\$24,635,562</b>	<b>\$5,050,134</b>	<b>\$0</b>	<b>\$41,212,302</b>	

See accompanying notes to the general purpose financial statements

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT**  
**Combined Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**All Governmental Fund Types and Similar Trust Funds**  
**For the Fiscal Year Ended June 30, 1999**

**EXHIBIT II**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
<b>Revenues:</b>						
Taxes	\$5,508,713	\$0	\$266,514	\$209,146	\$0	\$5,984,373
Intergovernmental	6,639,185	660,531	22,125	516,872	0	7,838,713
Interest	296,568	525	8,876	(68)	936	306,839
Increase (Decrease) in Fair Market Value of Invest	(19,892)	0	0	0	0	(19,892)
Tuition and Fees	60,294	326	0	0	0	60,620
Extracurricular Activities	0	101,617	0	0	0	101,617
Gifts & Donations	0	77,939	0	0	0	77,939
Miscellaneous	102,670	37,067	0	0	0	139,737
<b>Total Revenues</b>	<b>12,587,538</b>	<b>878,005</b>	<b>297,515</b>	<b>725,952</b>	<b>936</b>	<b>14,489,946</b>
<b>Expenditures:</b>						
<b>Current:</b>						
<b>Instruction:</b>						
Regular	6,247,589	71,737	0	400,238	0	6,719,564
Special	1,163,017	194,064	0	0	0	1,357,081
Vocational	12,346	0	0	0	0	12,346
Other	59,547	0	0	0	0	59,547
<b>Support Services:</b>						
Pupils	643,682	46,860	0	0	0	690,542
Instructional Staff	358,742	25,055	0	0	0	383,797
Board of Education	26,478	0	0	0	0	26,478
Administration	1,044,896	143,131	0	0	0	1,188,027
Fiscal	324,978	7,523	5,733	4,963	0	343,197
Business	11,797	0	0	0	0	11,797
Operation and Maintenance of Plant	1,179,440	6,560	0	11,658	0	1,197,658
Pupil Transportation	584,554	11,159	0	9,769	0	605,482
Central	7,800	4,296	0	0	0	12,096
Non-Instructional Services	0	58,924	0	0	0	58,924
Extracurricular Activities	285,541	187,006	0	0	0	472,547
Capital Outlay	113,596	11,486	0	655,201	0	780,283
<b>Debt Service:</b>						
Principal Retirement	0	0	144,588	0	0	144,588
Interest and Fiscal Charges	0	0	226,087	0	0	226,087
<b>Total Expenditures</b>	<b>12,064,003</b>	<b>767,801</b>	<b>376,408</b>	<b>1,081,829</b>	<b>0</b>	<b>14,290,041</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>523,535</b>	<b>110,204</b>	<b>(78,893)</b>	<b>(355,877)</b>	<b>936</b>	<b>199,905</b>
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Fixed Assets	2,881	0	0	0	0	2,881
Refund of Prior Year Expenditures	1,570	0	0	0	0	1,570
Refund of Prior Year Expenditures	0	(97)	0	0	0	(97)
Other Financing Sources	242	21,790	0	0	0	22,032
Operating Transfers In	9,941	6,546	97,401	0	0	113,888
Operating Transfers Out	(107,342)	(6,546)	0	0	0	(113,888)
<b>Total Other Financing Sources (Uses)</b>	<b>(92,708)</b>	<b>21,693</b>	<b>97,401</b>	<b>0</b>	<b>0</b>	<b>26,386</b>
<b>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>430,827</b>	<b>131,897</b>	<b>18,508</b>	<b>(355,877)</b>	<b>936</b>	<b>226,291</b>
<b>Fund Balances at Beginning of Year</b>	<b>4,066,868</b>	<b>80,069</b>	<b>85,998</b>	<b>377,670</b>	<b>15,020</b>	<b>4,625,625</b>
<b>Decrease in Reserve for Inventory</b>	<b>(7,998)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(7,998)</b>
<b>Fund Balances at End of Year</b>	<b>\$4,489,697</b>	<b>\$211,966</b>	<b>\$104,506</b>	<b>\$21,793</b>	<b>\$15,956</b>	<b>\$4,843,918</b>

See accompanying notes to the general purpose financial statements





# CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT

## Combined Statement of Revenues, Expenses and Changes in Fund Equity All Proprietary Fund Types and Similar Trust Funds For the Fiscal Year Ended June 30, 1999

EXHIBIT IV

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Nonexpendable Trust	
<b>Operating Revenues:</b>			
Sales	\$418,813	\$0	\$418,813
Interest	0	358	358
<b>Total Operating Revenue</b>	<b>418,813</b>	<b>358</b>	<b>419,171</b>
<b>Operating Expenses:</b>			
Salaries	226,210	0	226,210
Fringe Benefits	87,894	0	87,894
Purchased Services	14,809	0	14,809
Materials and Supplies	12,745	0	12,745
Cost of Sales	237,376	0	237,376
Depreciation	13,252	0	13,252
<b>Total Operating Expenses</b>	<b>592,286</b>	<b>0</b>	<b>592,286</b>
<b>Operating Income (Loss)</b>	<b>(173,473)</b>	<b>358</b>	<b>(173,115)</b>
<b>Non-Operating Revenues:</b>			
Federal Donated Commodities	68,438	0	68,438
Proceeds from Sale of Assets	544	0	544
Interest	1,749	0	1,749
Operating Grants	114,953	0	114,953
<b>Total Non-Operating Revenues</b>	<b>185,684</b>	<b>0</b>	<b>185,684</b>
<b>Net Income</b>	<b>12,211</b>	<b>358</b>	<b>12,569</b>
<b>Depreciation on Fixed Assets Acquired by Contributed Capital</b>	<b>1,895</b>	<b>0</b>	<b>1,895</b>
<b>Retained Earnings/Fund Balance (Deficit) at Beginning of Year</b>	<b>86,430</b>	<b>5,156</b>	<b>91,586</b>
<b>Retained Earnings/Fund Balance (Deficit) at End of Year</b>	<b>100,536</b>	<b>5,514</b>	<b>106,050</b>
<b>Contributed Capital at Beginning of Year</b>	<b>10,652</b>	<b>0</b>	<b>10,652</b>
<b>Total Capital Contributed During the Year</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Depreciation on Fixed Assets Acquired by Contributed Capital</b>	<b>(1,895)</b>	<b>0</b>	<b>(1,895)</b>
<b>Contributed Capital at End of Year</b>	<b>8,757</b>	<b>0</b>	<b>8,757</b>
<b>Total Fund Equity at End of Year</b>	<b>\$109,293</b>	<b>\$5,514</b>	<b>\$114,807</b>

See accompanying notes to the general purpose financial statements

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT**

**Combined Statement of Cash Flows  
All Proprietary Fund Types and Similar Trust Funds  
For the Fiscal Year Ended June 30, 1999**

**EXHIBIT V**

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Nonexpendable Trust	
<b>Increase (Decrease) in Cash and Cash Equivalents:</b>			
<b>Cash Flows from Operating Activities:</b>			
Cash Received from Customers	\$418,891	\$0	\$418,891
Cash Received from Interest Income (Nonexpendable Trusts Only)	0	352	352
Cash Payments to Suppliers for Goods and Services	(195,399)	0	(195,399)
Cash Payments to Employees for Services	(226,990)	0	(226,990)
Cash Payments for Employee Benefits	(83,656)	0	(83,656)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>(87,154)</b>	<b>352</b>	<b>(86,802)</b>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Operating Grants Received	135,738	0	135,738
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>135,738</b>	<b>0</b>	<b>135,738</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Proceeds from Sale of Capital Assets	544	0	544
Payments for Capital Acquisitions	(21,880)	0	(21,880)
<b>Net Cash Used for Capital and Related Financing Activities</b>	<b>(21,336)</b>	<b>0</b>	<b>(21,336)</b>
<b>Cash Flows from Investing Activities:</b>			
Interest on Investments	1,749	0	1,749
<b>Net Cash Provided by Investing Activities</b>	<b>1,749</b>	<b>0</b>	<b>1,749</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>28,997</b>	<b>352</b>	<b>29,349</b>
Cash and Cash Equivalents at Beginning of Year	52,912	5,031	57,943
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$81,909</b>	<b>\$5,383</b>	<b>\$87,292</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>			
Operating Income (Loss)	(173,473)	352	(173,121)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>			
Depreciation	13,252	0	13,252
Non-Operating change in accruals	68,438	0	68,438
<b>Changes in Assets and Liabilities:</b>			
(Increase)/Decrease in Accounts Receivable	161	0	161
(Increase)/Decrease in Prepaid Items	(262)	0	(262)
(Increase)/Decrease in Materials and Supplies Inventory	10,424	0	10,424
(Increase)/Decrease in Intergovernmental Receivables	20,785	0	20,785
(Increase)/Decrease in Intergovernmental from Grants	(20,785)	0	(20,785)
Increase/(Decrease) in Accounts Payable	(378)	0	(378)
Increase/(Decrease) in Accrued Wages	(2,357)	0	(2,357)
Increase/(Decrease) in Compensated Absences Payable	6,077	0	6,077
Increase/(Decrease) in Deferred Revenue	(9,036)	0	(9,036)
<b>Total Adjustments</b>	<b>86,319</b>	<b>0</b>	<b>86,319</b>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>(\$87,154)</b>	<b>\$352</b>	<b>(\$86,802)</b>

See accompanying Notes to the Financial Statements.

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# **CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT SANDUSKY COUNTY**

## **NOTES TO THE FINANCIAL STATEMENTS** **JUNE 30, 1999**

### **1. DESCRIPTION OF THE ENTITY**

The Clyde-Green Springs Exempted Village School District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Clyde-Green Springs Exempted Village School District is an exempted village school district as defined by Section 3311.04 of the Ohio Revised Code. The School District operates under an elected Board of Education (five members) and is responsible for the provision of public education to residents of the School District.

Average daily membership (ADM) as of October 1, 1998, was 2407. The School District employed 14 administrative and supervisory personnel, 140 certificated employees and 88 non-certificated employees.

The School District provides regular, vocational and special instruction. The School District also provides support services for the pupils, instructional staff, general and School District administration, business and fiscal services, facilities acquisitions and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities and nonprogrammed services.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Clyde-Green Springs Exempted Village School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Under the provisions of GASB No. 20 the district has elected not to apply Financial Accounting Standards Board Statements and interpretations issued after November 30, 1989 to its proprietary activities. Election of this approach to accounting for proprietary activities by the district has required no change from prior years. The more significant of the School District's accounting policies are described below:

#### **A. REPORTING ENTITY**

The reporting entity is composed of the primary government, component units and other organizations that are included to insure that the financial statements of the School District are not misleading. The primary governmental units are prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources.

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1999

(Continued)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

A. REPORTING ENTITY (Continued)

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 organizations' 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 organizations' 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 District in that the School District approves the budget, the issuance of debt or the levying of taxes.

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

City of Clyde - The city government of Clyde is a separate body politic and corporate. A council is elected independent of any School district relationships and administers the provision of traditional city services. Council acts as the taxing and budgeting authority for these city services.

Village of Green Springs - The village government of Green Springs is a separate body politic and corporate. A mayor and council are elected independent of any School District relationships and administer the provision of traditional village services. Council acts as the taxing and budgeting authority for these village services.

Townships of Green Creek, York, Townsend, Riley, Ballville, Pleasant and Adams - Township governments are separate bodies politic and corporate. A board of trustees and clerk are elected independent of School District relationships and administer the traditional township services. The Trustees act as the taxing and budgeting authority for these services.

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1999

(Continued)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

A. REPORTING ENTITY (Continued)

Birchard Public Library - The library is a separate body politic which provides the Green Springs community with various educational and literary resources. The Library's Board of Trustees is appointed by the Sandusky County Commissioner's. The School District does not exercise significant influence over its daily operation, participate in fiscal management or scope of public services, provide financial support, or hold accountability for fiscal matters.

Clyde Public Library - The library is a separate body politic which provides various educational and literary resources to an area whose borders match the School District's with the exception of the Village of Green Springs and the portions of the School District located in Pleasant and Adams Townships, Seneca County. The Library's Board of Trustees is appointed by the School District Board of Education, however the School District does not exercise significant influence over its daily operation, participate in fiscal management or scope of public service, provide financial support, or hold accountability for fiscal matters. This is a jointly governed organization and the School District's participation is disclosed in Note 18 to the general purpose financial statements.

Project Excellence - An Academic Foundation - This organization is comprised of private citizens engaged in furthering the instructional activities of the School District. The School District is not involved in the budgeting or management of the foundation and is not responsible for any debt of the foundation.

Parent/Teacher Organizations and Athletic/Music Boosters - These organizations exist to support various endeavors of the School District through donations of time and other resources. Although the School District benefits directly from the activities, the School District is not involved in the budgeting or management of these organizations. The School District is also not responsible for any debt and has no influence over the organizations or clubs.

Clyde-Green Springs Education Association - The Association is under the Ohio Bargaining Law, which requires a separation of the bargaining unit and the District. The Association represents the eligible certificated employees of the District regarding personnel related matters. The District does not designate or appoint the representatives, approve and revise budgets, supervise accounting functions, nor assume responsibility for financing deficits.

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1999

(Continued)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

A. REPORTING ENTITY (Continued)

Ohio Association of Public School Employees, Local #415 - The Association's local chapter consists of non-teaching employees of the School District and is operated under the Ohio Bargaining Law which requires a separation of the bargaining unit and the District. The District does not designate or appoint the representatives, approve and revise budgets, supervise accounting functions, nor assume responsibility for financing deficits.

Northern Ohio Educational Computer Association - The District is a member of a 38-district consortium which was organized for the purpose of providing computer services for accounting, grading, scheduling and other applications to its members. This is a jointly governed organization and the School District's participation is disclosed in Note 18 to the general purpose financial statements.

Vanguard-Sentinel Joint Vocational School District - The vocational school district is a separate body politic and corporate, established by the Ohio Revised Code to provide vocational and special education needs of the students. The School District is not involved in the budgeting or management of the Vanguard-Sentinel Joint Vocational School. One board member of the Clyde-Green Springs Exempted Village Board of Education serves as a board member of the vocational school district. This is a jointly governed organization and the School District's participation is disclosed in Note 18 to the general purpose financial statements.

Included within the reporting entity:

WSOS Preschool Program - The School District acts as fiscal agent for a preschool consortium which provides services to children in the Clyde-Green Springs Exempted Village and Lakota Local (Sandusky County) School Districts. Current state legislation provides funding for this program. The monies are received and disbursed on behalf of WSOS by the Treasurer of the School District as directed by WSOS. The School District reflects this responsibility in its financial reports as a special revenue fund.



**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1999

(Continued)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

A. REPORTING ENTITY (Continued)

St. Mary's Elementary School - Within the School District, St. Mary's Elementary School is operated through the Toledo Catholic Diocese. Current state legislation provides funding to this parochial school. These monies are received and disbursed on behalf of the parochial school by the Treasurer of the School District, as directed by the parochial school. The receipt and fiduciary liability of these state monies by the School District are reflected in a special revenue fund for financial reporting purposes.

B. 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 government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a district's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general-long term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1999

(Continued)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. FUND ACCOUNTING (Continued)**

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the School District. When these assets are held under the terms of a formal trust agreement, a nonexpendable trust fund or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

**C. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet.

Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financial uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet.

Fund equity is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1999

(Continued)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. BASIS OF ACCOUNTING (Continued)

The modified accrual basis of accounting is used by all governmental fund types, agency funds and expendable trust funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The School District considers property taxes as available if they are collected within 30 days after year end. A 30 day availability period is also used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are property taxes, inter-governmental revenue, interest revenue and charges for services.

The proprietary fund type and nonexpendable trust fund are accounted for using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable; expenses are recognized in the period incurred, if measurable.

D. BUDGETARY PROCESS

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established time-table. 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 required to be budgeted and appropriated. The primary level of budgetary control is at the object code function level within each fund. Budgetary modifications may only be made by resolution of the Board of Education.

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1999

(Continued)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

D. BUDGETARY PROCESS (Continued)

Tax Budget

A budget of estimated revenue and expenditures is submitted to the County Auditor, as Secretary of the County Budget Commission, by January 20 of each year, for the period July 1 to June 30 of the following year.

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the School District by March 1. As part of this certification, the School District receives the official 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 the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect amounts internally developed by management.

Appropriations

A temporary appropriation resolution to control expenditures may be passed on or about July 1 of each year for the period of July 1 to September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 to June 30. The appropriation resolution fixes spending authority at the fund, function level.

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1999

(Continued)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

D. BUDGETARY PROCESS (Continued)

Appropriations (Continued)

The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among functions within a fund may be modified during the year by a resolution of the Board of Education. Several supplemental appropriation resolutions were legally enacted by the Board of Education during the year. The budget figures which appear in the statement of budgetary comparisons represent the final appropriation amounts including all amendments and modifications.

Encumbrances

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered and 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.

On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balances for subsequent-year expenditures.

Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated.

While reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1999

(Continued)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

D. BUDGETARY PROCESS (Continued)

Lapsing of Appropriations (Continued)

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

Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

Outstanding year end encumbrances are treated as expenditures/ expenses (budget basis) rather than as a reservation of fund balance (GAAP).

Adjustments necessary to convert the results of operations at the end of the year on the Budget Basis to the GAAP basis are as follows:

	Excess (Deficiency) of Revenues and Other Sources Over/(Under)Expenditures and Other Uses Governmental Fund Types			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Project</u>
Budget Basis	\$ (200,686)	\$ 80,006	\$ 4,909	\$ (510,876)
Adjustments:				
Revenue	63,410	(38,827)	12,295	(89,945)
Expenditures	141,898	29,472	1,304	167,452
Encumbrances	<u>426,205</u>	<u>61,246</u>	<u>0</u>	<u>77,492</u>
GAAP Basis	<u>\$430,827</u>	<u>\$131,897</u>	<u>\$18,508</u>	<u>\$ (355,877)</u>

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1999

(Continued)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. CASH AND INVESTMENTS**

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

State statutes authorize the government to invest in obligations of the U.S. Treasury, obligations of the State of Ohio, obligations of its political subdivision and agencies, repurchase agreements, State Treasurer's investment pool, bankers' acceptances and commercial paper notes.

During fiscal year 1999, investments were limited to treasury notes and federal agency securities. Investments are reported at fair value which is based on quoted market prices.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest credited to the general fund during the fiscal year 1999 amounted to \$296,568.

For purposes of presentation on the combined balance sheet and in the combined statement of cash flows, cash and cash equivalents are defined as equity in pooled cash and cash equivalents and investments with maturities of three months or less at the time they are acquired by the district.

**F. INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "Interfund Receivable" or "Interfund Payable" on the balance sheet.

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 1999  
(Continued)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

G. INVENTORIES

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost (first in, first out) or market and consists of expendable supplies for resale. The costs of inventory items are recognized as expenditures in governmental fund types when purchased and expenses in the proprietary fund types when used.

H. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond June 30, 1999, are recorded as prepaid items.

I. FIXED ASSETS

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of curbs, gutters, sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed using the straight-line method.

Interest is capitalized on assets acquired with tax-exempt debt.

The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.



**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 1999  
(Continued)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

J. COMPENSATED ABSENCES

Vested or accumulated vacation leave expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

Sick leave benefits are accrued as a liability using the "termination payment method". The termination payment method accrues a liability that is based entirely on an estimate of the amount of accumulated sick leave that will be paid as a termination benefit. The estimate is based on past experience. This estimate (ratio) is then applied to employee's sick leave balances and current wage rates at fiscal year end. This liability is posted to the general long-term obligations account group for governmental funds. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. LONG-TERM OBLIGATIONS

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term obligations account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

L. FUND EQUITY

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from other funds. Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 1999  
(Continued)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

M. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

N. MEMORANDUM ONLY - TOTAL COLUMNS

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

O. RESTRICTED ASSETS

Restricted assets in the general fund represent cash and cash equivalents (an intergovernmental receivable) set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. During fiscal year 1998, the School District received a \$67,853.08 refund from the Bureau of Workers' Compensation which State statute required to be included in this reserve. During fiscal year 1999 the Board of Education increased this reserve to \$485,287. A fund balance reserve has also been established. This reserve is voluntarily established at a level higher than is required by State statute.

P. ESTIMATES

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

# CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT SANDUSKY COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1999

(Continued)

### **3. DEPOSITS & 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 the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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

1. United States Treasury Bills, Bonds, Notes, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 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;

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1999

(Continued)

**3. DEPOSITS & INVESTMENTS** (Continued)

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio); and
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of interim monies available for investment at any one time.

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 three 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 Statement 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 \$1,738,768 and the bank balance was \$2,078,439. Of the bank balance, \$917,971 was covered by federal depository insurance or by collateral held by a qualified third party trustee in the name of the school district and \$1,160,468 was held by third party trustees pursuant to Section 135.181, Revised Code, in collateralized pools securing all public funds on deposit with specific depository institutions.

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1999

(Continued)

**3. DEPOSITS & INVESTMENTS (Continued)**

**Investments** - The School District's investments are required to be categorized to give an indication of the level of risk assumed by the School District at year end. Category 1 includes investments that are insured or registered for which the securities are held by the School District or the School District's agent in the School District's name. Category 2 includes uninsured and unregistered investments for which the securities are held in 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.

	<u>Category 1</u>	<u>Category 2</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Treasury Bonds	\$5,000	\$0	\$5,000	\$5,000
Treasury Notes	0	300,000	301,172	301,172
Federal Agency Securities	<u>0</u>	<u>3,200,448</u>	<u>3,174,595</u>	<u>3,174,595</u>
Total Investments	<u>\$5,000</u>	<u>\$3,500,448</u>	<u>\$3,480,767</u>	<u>\$3,480,767</u>

The classification of cash and cash equivalents, and investments on the combined financial statements is based on the 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 cash and investments on the combined financial statements and the classifications of deposits and investments according to GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents/ Deposits</u>	<u>Investments</u>
GASB Statement No. 9	\$5,219,535	\$0
Investments:		
Investments	<u>(3,480,767)</u>	<u>3,480,767</u>
GASB Statement No. 3	<u>\$1,738,768</u>	<u>\$3,480,767</u>

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1999

(Continued)

**4. PROPERTY TAXES**

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Real property taxes are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at 35 percent of appraised market value. Real property taxes are collected in and intended to finance the year following the year in which they are levied.

Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 50 percent of cost). Tangible personal property taxes attach as a lien and are levied January 1 of the current year, the same year in which collections are made. Tangible personal property assessments are 25 percent of true value.

The assessed value upon which the 1998 taxes were collected was \$170,563,967 of which real and public utility property represented 76.0 percent of the total (\$129,546,410) and tangible personal property represented 24.0 percent (\$41,017,557). The full tax rate for all District operations applied to real property for fiscal year ended June 30, 1999 was \$46.60 per \$1,000 of assessed valuation.

After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$30.9324 per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$37.2462 per \$1,000 of assessed valuation for all other real property. Real property owners' tax bills are further reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the School District by the State of Ohio.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with remainder payable by June 20. Under certain circumstances, state statute permits earlier or 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 semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

Accrued property taxes receivable represent delinquent taxes outstanding and real, tangible personal, and public utility taxes which were measurable as of June 30, 1999. Total property tax collections for the next fiscal year are measurable and amounts certified by the county auditor as available for advance on June 30 were recognized as revenue June 30 and are intended to finance 1998/99 operations. Taxes not available for advance at June 30 were not considered to be available to finance 1998/99 operations and were therefore offset by a credit to deferred revenue. Deferred revenue consists of real estate taxes for the last half of assessed taxes for calendar year 1998 and assessed taxes of calendar year 1999 and personal property taxes assessed for the last half of calendar year 1999.

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1999

(Continued)

**5. RECEIVABLES**

Receivables at June 30, 1999, consisted of taxes, interest, accounts (billings for user charged services), and intergovernmental receivables arising from grants, entitlement and shared revenues.

All receivables are considered collectable in full. A summary of the principal items of receivables follows:

General Fund:

Taxes Receivable	\$5,340,255
Accounts Receivable	590
Interest on Investments	71,048

Special Revenue:

Interest on Investments	\$131
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Debt Service:

Taxes Receivable	\$258,536
Interest on Investments	1,278

Capital Projects:

Taxes Receivable	\$201,095
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Expendable Trusts:

Interest on Investments	\$241
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Non-Expendable Trusts:

Interest on Investments	\$131
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**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1999

(Continued)

**6. FIXED ASSETS**

The following is a summary of changes in the general fixed assets account group during the fiscal year:

	<u>Balance</u> <u>7/1/98</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>6/30/99</u>
Land	\$401,460	\$0	\$0	\$401,460
Buildings	18,674,448	231,537	0	18,905,985
Improvements Other Than Buildings	748,500	0	0	748,500
Furniture and Equipment	2,335,793	573,804	32,920	2,876,677
Vehicles	1,021,478	0	0	1,021,478
Books	<u>681,462</u>	<u>0</u>	<u>0</u>	<u>681,462</u>
Total	<u>\$23,863,141</u>	<u>\$805,341</u>	<u>\$32,920</u>	<u>\$24,635,562</u>

The following is a summary of proprietary fund-type fixed assets at June 30, 1999:

	<u>Enterprise</u> <u>Funds</u>
Machinery and Equipment	\$221,436
Less: Accumulated Depreciation	<u>104,038</u>
Net Fixed Assets	<u>\$117,398</u>

In Proprietary Funds, the following estimated useful lives are used to compute depreciation:

Buildings	40 years
Equipment	8-20 years
Vehicles	3-5 years



**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 1999  
(Continued)

**7. LONG-TERM OBLIGATIONS**

Long-term obligations of the School District as of June 30, 1999, were as follows:

<u>General Long-Term Account Group:</u>	<u>Outstanding 6/30/98</u>	<u>Additions</u>	<u>Deductions</u>	<u>Outstanding 6/30/99</u>
Accr. Wages & Benefits	\$87,766	\$8,682	\$0	\$96,448
Compensated Absences	1,423,335	13,653	0	1,436,988
School Improvement Bonds	3,200,000	0	70,000	3,130,000
Energy Conservation	<u>461,286</u>	<u>0</u>	<u>74,588</u>	<u>386,698</u>
Total	<u>\$5,172,387</u>	<u>\$22,335</u>	<u>\$144,588</u>	<u>\$5,050,134</u>

The accrued sick leave benefits recorded above represent the non-current portion of the liability. The current portion has been recorded in the appropriate fund types.

During fiscal year 1994 an energy conservation loan was established under the rules of H.B. 264. The loan was in the amount of \$753,813 at an interest rate of 5.15% with semi-annual payments of \$48,700. Proceeds of this loan were used to make energy improvements to all buildings of the District. The majority of these improvements consisted of lighting retrofits, window replacements and boiler replacements.

During fiscal year 1995 the district issued bonds in the amount of \$3,400,000 for an addition and improvements to Clyde High School. The bonds were issued on January 15, 1995 with serial maturities from 1995 to 2009 at interest rates ranging from 4.80 percent to 6.00 percent and term maturities in 2013 and 2019 at rates of 7.00 percent and 6.10 percent respectively. The bonds are rated "AAA" with MBIA insurance and carry an underlying "A" rating from Moody's Investor Services.

The following is a summary of the School District's future annual debt service requirements to maturity including interest payments:

<u>Year Ending June 30</u>	<u>Energy Conservation Loan</u>	<u>High Schools Improvement Bonds</u>
2000	97,401	275,770
2001	97,401	276,623
2002	97,401	272,263
2003	97,401	272,683
2004	48,655	272,760
2005-2020	<u>0</u>	<u>4,324,375</u>
Total	<u>\$438,259</u>	<u>\$5,694,474</u>

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 1999  
(Continued)

**8. INTERFUND TRANSACTIONS**

A. Interfund balances at June 30, 1999 consist of the following individual fund receivables and payables:

<u>Fund:</u>	<u>Receivable</u>	<u>Payable</u>
General	\$137,789	
Special Revenue:		
Venture Capital		\$4,812
Capital Projects:		
Permanent Improvements		83,000
Emergency Repair Grant		49,977
	<u>\$137,789</u>	<u>\$137,789</u>

B. Transfers between funds during the fiscal year were as follows:

<u>Fund:</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$9,941	\$107,342
Special Revenue	6,546	6,546
Debt Service	97,401	0
	<u>\$113,888</u>	<u>\$113,888</u>

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 1999  
(Continued)

**9. SEGMENT INFORMATION - ENTERPRISE FUND**

The government maintains one enterprise fund which is intended to be self-supporting through user fees charged for services to the students. Financial segment information as of and for the fiscal year ended June 30, 1999 is presented below:

<u>Food Service Fund</u>		
Operating Revenues	\$ 418,813	
Operating Expenses	592,286	
Depreciation Expense		13,252
Operating Income (Loss)	(172,929)	
Net Income (Loss)	12,211	
Property & equipment additions	21,880	
Net Cash Flow	28,997	
Net Working Capital	5,718	
Total Assets	221,615	
Total Equity	109,293	

**10. COMPENSATED ABSENCES**

A. SICK LEAVE

All employees are entitled to fifteen (15) days sick leave with pay for each year under contract and accrue sick leave at the rate of one and one-fourth (1 1/4) days for each calendar month under contract. Sick leave is cumulative to two hundred forty (240) days for certificated employees. Most classified employees may accumulate two hundred thirty (230) days. Twelve month classified personnel, the Superintendent, and Treasurer may accumulate two hundred fifty (250) days.

B. SEVERANCE PAY

All employees serving in a regular assignment under contract with the Clyde-Green Springs Board of Education may elect to receive a cash payment at retirement for accrued but unused sick leave. To be eligible, employees must be qualified for retirement benefits under one or more of the STRS, SERS or PERS retirement systems and have performed a minimum of ten (10) years service in one or more Ohio political subdivisions. Payment is to be based on employee's per diem pay rate at the time of retirement. Payment shall be based on 26% of the accrued but unused days of sick leave up to one hundred forty (140) days or a maximum of thirty-six and 4/10 (36.4) days. Persons with ten (10) or more years of experience in the Clyde-Green Springs Exempted Village School District will be paid based on twenty six percent (26%) of the accrued but unused days of sick leave up to two hundred forty (240) days or maximum of sixty-two and 4/10 (62.4) days. Classified employees working less than 12 months with ten (10) or more years of service will be paid based on twenty-six percent (26%) of the accrued by unused days of sick leave up to two hundred thirty (230) days or a maximum of fifty-nine and 8/10 (59.8) days. Twelve month classified personnel, the Superintendent and Treasurer with ten (10) or more years of service will be paid based on twenty-six percent (26%) of the accrued but unused days of sick leave up to two hundred fifty (250) days or maximum of sixty-five (65) days.

# CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT SANDUSKY COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1999

(Continued)

### **11. PENSION AND RETIREMENT PLANS**

#### A. School Employees Retirement System

The Clyde-Green Springs Exempted Village 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 North Fourth Street, Columbus, Ohio 43215 or by calling (614)222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory amounts, by the SERS Retirement Board. The School District's contributions for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$265,680, \$244,524, and 230,970 respectively.

#### B. State Teachers Retirement System

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

Plan members are required to contribute 9.3 percent of their annual covered salary and the School District is required to contribute 14 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 1999, 1998 and 1997 were \$877,860, \$843,578, and \$800,502 respectively.

#### C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or State Teachers Retirement System have an option to choose social security or School Employees Retirement System/State Teachers Retirement System. As of June 30, 1999, three of the board of education members have elected social security. The board's and the employee's liability is 6.2 percent of wages paid.

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1999

(Continued)

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

The State Teachers Retirement Board allocates employer contributions equal to 2 percent of covered payroll to the Health Care Reserve Fund from which health care benefits are paid. However, for the fiscal year ended June 30, 1998, the board allocated employer contributions equal to 3.5 percent of covered payroll to the Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$2,156 million on June 30, 1998. The Health Care Reserve Fund allocation for the year ended June 30, 1999 will be 8 percent.

For the year ended June 30, 1998, net health care costs paid by STRS were \$219,224,000. There were 91,999 eligible benefit recipients.

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

For this fiscal year, employer contributions to fund health care benefits were 4.98 percent of covered payroll, an increase from 4.21 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 1998, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 125 percent of annual health care expenses. Expenses for health care at June 30, 1998, 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 has approximately 50,000 participants currently receiving health care benefits. For the School District, the amount to fund health care benefits, including the surcharge, equaled \$112,560 during the 1999 fiscal year.

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 1999  
(Continued)

**13. STATUTORY RESERVES**

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 1999, the reserve activity (cash basis) was as follows:

	<u>Textbook Reserve</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>	<u>Total</u>
Set-aside balance as of July 1, 1998	\$0	\$0	\$67,853	\$67,853
Set-aside Requirement	196,495	196,495	97,482	490,472
Current Year Offsets	(6,756)	(6,084)	0	(12,840)
Qualifying Expenditures	(189,739)	(190,411)	0	(380,150)
Balance June 30, 1999	<u>\$0</u>	<u>\$0</u>	<u>\$165,335</u>	<u>\$165,335</u>

Expenditures for the Textbook Reserve and Capital Acquisition Reserve were \$553,936 and \$589,778 respectively which exceeded the required set-aside.

**14. INSURANCE**

The School District maintains comprehensive insurance coverage with private carriers for real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are 90 percent coinsured.

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1999

(Continued)

**15. WORKERS COMPENSATION**

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 member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

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.

**16. CONTINGENT LIABILITIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time; although management expects such amounts, if any, to be immaterial.

The district is unaware of any other contingent liabilities at this time.

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1999

(Continued)

**17. HEALTH INSURANCE**

The School District has joined together with other school districts in the area to form the San-Ott Schools Employee Welfare Benefit Association, whose purpose is to provide health coverage and benefits to and for the eligible employees of Association members and their dependents. The School District pays premiums to the Association based upon the benefits structure selected. The Association Trust Agreement provides that the Association will be self-sustaining through member premiums and will reinsure through commercial companies for specific claims in excess of \$100,000 and aggregate claims in excess of 120 percent of expected claims.

**18. JOINTLY GOVERNED ORGANIZATIONS**

Northern Ohio Educational Computer Association - The Northern Ohio Educational Computer Association (NOECA) is a jointly governed organization among thirty-eight school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions among member districts. Each of the governments of these schools supports NOECA based upon a per pupil charge dependent upon the software package utilized. The NOECA assembly consists of a superintendent from each participating school district and a representative from the fiscal agent. NOECA is governed by a Board of Directors chosen from the general membership of the NOECA Assembly. The Board of Directors consists of a representative from the fiscal agent, the chairman of each of the operating committees, and two Assembly members from each county in which participating school district is limited to its representation on the Board. Financial information can be obtained by contacting Betty Schwiefert, who serves as controller, at 2900 South Columbus Avenue, Sandusky, Ohio 44870.



# CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT SANDUSKY COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1999

(Continued)

### **18. JOINTLY GOVERNED ORGANIZATIONS** (Continued)

Vanguard-Sentinel Joint Vocational School - The Vanguard-Sentinel Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of two representatives from Fremont City Schools and one representative from the Clyde-Green Springs Exempted Village School District and each of the other twelve participating school districts' elected boards, which possesses its own budgeting and taxing authority. Accordingly, the Vanguard-Sentinel Joint Vocational School is not part of the Clyde-Green Springs Exempted Village School District and its operations are not included as part of the reporting entity. To obtain financial information write to the Vanguard-Sentinel Joint Vocational School, Jay Valasek, Treasurer, at 1306 Cedar Street, Fremont, Ohio 43420.

Clyde Public Library - The library is a separate body politic which provides various educational and literary resources to an area whose borders match the School Districts' with the exception of the Village of Green Springs and the portions of the School District located in Pleasant and Adams Townships, Seneca County. The Library's Board of Trustees is appointed by the School District Board of Education, however the School District does not exercise significant influence over its daily operation, participate in fiscal management or scope of public service, provide financial support, or hold accountability for fiscal matters. Financial information can be obtained by contacting Laurel A. Hendricks, Treasurer, 222 W. Buckeye Street, Clyde, Ohio 43410.

### **19. 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 Ohio General Assembly to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 1999, the School District received \$6,091,252 of school foundation support for its general fund.

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. At this time, 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.

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1999

(Continued)

**20. YEAR 2000 ISSUE**

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the governments operations. Clyde-Green Springs Exempted Village School District has completed an inventory of computer systems and other equipment necessary to conducting 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 District uses the State of Ohio Uniform 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" and federal and state grant payments. Further, the State processes a significant amount of financial and non-financial information about the District through EMIS. The State is responsible for remediating these systems.

Sandusky and Seneca Counties collect property taxes for distribution to the District. The counties are responsible for remediating its tax collection system.

To the best of management's knowledge and belief, as of January 20, 2000, the government experienced no interruption of operations or services related to the Year 2000 issue. However, because of the unprecedented nature of the year 2000 issue, matters may yet arise and parties with whom the district does business may also experience year 2000 readiness issues that are as yet unknown.

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

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

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>UNITED STATES DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program		10.550	\$0	\$59,402	\$0	\$68,438
National School Lunch Program	04-PU 98/99	10.555	128,137		128,137	
Total Department of Agriculture - Nutrition Cluster			128,137	59,402	128,137	68,438
<b>UNITED STATES DEPARTMENT OF EDUCATION</b>						
<i>Direct Program:</i>						
E-Rate	DC-S1 98	84.000	458			
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States	6B-SF 99 P	84.027	1,118,243		120,959	
Total Special Education Cluster			1,118,243		120,959	
Grants to Local Educational Agencies (ESEA Title I)	C1-S1 99	84.010	137,632		142,625	
Innovative Educational Program Strategies	C2-S1 99	84.298	9,305		8,088	
Eisenhower Professional Development	MS-S1 99	84.281	8,144		8,099	
Drug-Free Schools Grant	DR-S1 99	84.186	3,775		1,309	
Technology Literacy Challenge Act Grant	TF-31 99 P	84.318	150,000		2,200	
Total Department of Education			1,427,557		283,280	
<b>Totals</b>			<b>\$1,555,694</b>	<b>\$59,402</b>	<b>\$411,417</b>	<b>\$68,438</b>

*The accompanying notes are an integral part of this schedule.*

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FISCAL YEAR ENDED JUNE 30, 1999**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the School District's federal award programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B – FOOD DISTRIBUTION**

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 1999, the District had no significant food commodities in inventory.

**NOTE C – MATCHING REQUIREMENTS**

Certain Federal programs require that the School District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The School District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Clyde-Green Springs Exempted Village School District  
Sandusky County  
106 South Main Street  
Clyde, Ohio 43410-1695

To the Board of Education:

We have audited the financial statements of Clyde-Green Springs Exempted Village School District as of and for the year ended June 30, 1999, and have issued our report thereon dated January 20, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Clyde-Green Springs Exempted Village School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of Clyde-Green Springs Exempted Village School District in a separate letter dated January 20, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Clyde-Green Springs Exempted Village School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts

Clyde-Green Springs Exempted Village School District  
Sandusky County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

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 a matter involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of Clyde-Green Springs Exempted Village School District in a separate letter dated January 20, 2000.

This report is intended for the information and use of management, the Board of Education, 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.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

January 20, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Clyde-Green Springs Exempted Village School District  
Sandusky County  
106 South Main Street  
Clyde, Ohio 43410-1695

To the Board of Education:

**Compliance**

We have audited the compliance of Clyde-Green Springs Exempted Village School 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. Clyde-Green Springs Exempted Village School 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 Clyde-Green Springs Exempted Village School District's management. Our responsibility is to express an opinion on Clyde-Green Springs Exempted Village School District's compliance based on our audit.

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

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

### **Internal Control Over Compliance**

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

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, 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

January 20, 2000



**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT  
SANDUSKY COUNTY**

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

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

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	No
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	84.027 Special Education - Grants to States
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	Yes

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.





STATE OF OHIO  
OFFICE OF THE AUDITOR

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**CLYDE GREEN SPRINGS**

**SANDUSKY COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 8, 2000**