



**MILLCREEK WEST UNITY LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED JUNE 30, 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

Millcreek West Unity Local School District
Williams County
113 South Defiance Street
PO Box 505
West Unity, Ohio 43570-0505

To the Board of Education:

We have audited the accompanying general-purpose financial statements of Millcreek West Unity Local School District, Williams County, (the District) as of and for the year ended June 30, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Millcreek West Unity Local School District, Williams 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 6, 2000, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Jim Petro
Auditor of State

January 6, 2000

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**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
FOR THE YEAR ENDED JUNE 30, 1999**

| | Governmental Fund Types | | | |
|--|----------------------------|--------------------|-------------------|---------------------|
| | General | Special Revenue | Debt Service | Capital Projects |
| ASSETS AND OTHER DEBITS | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 218,160 | \$ 83,484 | \$ 368,367 | \$ 245,360 |
| Cash and Cash Equivalents: | | | | |
| With Fiscal Agents | | 1,797 | | |
| Receivables: | | | | |
| Taxes | 1,109,214 | | 131,537 | |
| Accounts | | | | |
| Intergovernmental | 1,247 | | | |
| Accrued Interest | 3,707 | | | 1,395 |
| Materials and Supplies Inventory | 6,215 | | | |
| Restricted Assets: | | | | |
| Equity in Pooled Cash and Cash Equivalents | 19,862 | | | |
| Fixed Assets (Net of Accumulated Depreciation, Where Applicable) | | | | |
| Other Debits: | | | | |
| Amount in Debt Service Fund for Retirement of Long-term Obligations Provided from General Government Resources | | | | |
| Total Assets and Other Debits | \$ 1,358,405 | \$ 85,281 | \$ 499,904 | \$ 246,755 |
| LIABILITIES, EQUITY, AND OTHER CREDITS | | | | |
| Liabilities: | | | | |
| Undistributed Monies | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Accrued Wages and Benefits | 350,507 | 7,315 | | |
| Compensated Absences Payable | 29,801 | | | |
| Intergovernmental Payable | 64,754 | | | |
| Energy Conservation Loan Payable | | | | |
| General Obligation Bonds Payable | | | | |
| Due to Students | | | | |
| Deferred Revenue | 1,018,280 | | 120,319 | |
| Contracts Payable | | | | 42,128 |
| Total Liabilities | 1,463,342 | 7,315 | 120,319 | 42,128 |
| Fund Equity and Other Credits: | | | | |
| Investment in General Fixed Assets | | | | |
| Retained Earnings | | | | |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Reserved for Encumbrances | 33,927 | 33,831 | | 192,820 |
| Reserved for Inventory | 6,215 | | | |
| Reserved for Debt Service Principal | | | 368,367 | |
| Reserved for Property Taxes | 90,934 | | 11,218 | |
| Reserved for Endowment | | | | |
| Reserved for Budget Stabilization | 19,862 | | | |
| Unreserved, Undesignated | (255,875) | 44,135 | | 11,807 |
| Total Fund Equity and Other Credits | (104,937) | 77,966 | 379,585 | 204,627 |
| Total Liabilities, Fund Equity and Other Credits | \$ 1,358,405 | \$ 85,281 | \$ 499,904 | \$ 246,755 |

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

| Proprietary Fund Type | Fiduciary Fund Types | Account Groups | | Totals (Memorandum Only) |
|--------------------------|-------------------------|----------------------------|-------------------------------------|--------------------------------|
| | | General Fixed Assets | General Long-Term Obligations | |
| Enterprise | Trust and Agency | | | |
| \$ 36,698 | \$ 51,339 | \$ 0 | \$ 0 | \$ 1,003,408 |
| | | | | 1,797 |
| | | | | 1,240,751 |
| 5,620 | | | | 5,620 |
| | | | | 1,247 |
| 124 | 99 | | | 5,325 |
| 11,651 | | | | 17,866 |
| | | | | 19,862 |
| 16,981 | | 5,341,287 | | 5,358,268 |
| | | | 368,367 | 368,367 |
| | | | 857,864 | 857,864 |
| \$ 71,074 | \$ 51,438 | \$ 5,341,287 | \$ 1,226,231 | \$ 8,880,375 |
| \$ 0 | \$ 1,283 | \$ 0 | \$ 0 | \$ 1,283 |
| 14,125 | | | | 371,947 |
| 8,441 | | | 406,268 | 444,510 |
| 8,356 | | | 22,963 | 96,073 |
| | | | 117,000 | 117,000 |
| | | | 680,000 | 680,000 |
| | 18,544 | | | 18,544 |
| 6,613 | | | | 1,145,212 |
| | | | | 42,128 |
| 37,535 | 19,827 | | 1,226,231 | 2,916,697 |
| | | 5,341,287 | | 5,341,287 |
| 33,539 | | | | 33,539 |
| | | | | 260,578 |
| | | | | 6,215 |
| | | | | 368,367 |
| | | | | 102,152 |
| | 6,741 | | | 6,741 |
| | | | | 19,862 |
| | 24,870 | | | (175,063) |
| 33,539 | 31,611 | 5,341,287 | | 5,963,678 |
| \$ 71,074 | \$ 51,438 | \$ 5,341,287 | \$ 1,226,231 | \$ 8,880,375 |

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1999**

| | Governmental Fund Types | |
|--|------------------------------------|----------------------------|
| | General | Special Revenue |
| Revenues: | | |
| Intergovernmental | \$ 2,646,318 | \$ 95,958 |
| Interest | 30,014 | |
| Tuition and Fees | 2,072 | |
| Extracurricular Activities | | 59,103 |
| Rent | 500 | |
| Gifts and Donations | | 4,144 |
| Property and Other Local Taxes | 1,249,249 | |
| Miscellaneous | 19,519 | 410 |
| Total Revenues | 3,947,672 | 159,615 |
| Expenditures: | | |
| Current: | | |
| Instruction: | | |
| Regular | 2,054,211 | 3,168 |
| Special | 419,576 | 46,988 |
| Vocational | 162,717 | |
| Other | 3,275 | |
| Support Services: | | |
| Pupils | 116,413 | 1,000 |
| Instructional Staff | 101,428 | 15,012 |
| Board of Education | 13,682 | |
| Administration | 463,517 | 9,487 |
| Fiscal | 94,222 | 1,860 |
| Operation and Maintenance of Plant | 322,808 | 599 |
| Pupil Transportation | 166,558 | |
| Central | 6,718 | |
| Non-Instructional Services | 455 | |
| Extracurricular activities | 97,431 | 42,680 |
| Capital Outlay | | |
| Debt Service | | |
| Principal | | |
| Interest | | |
| Total Expenditures | 4,023,011 | 120,794 |
| Excess of Revenues Over (Under) Expenditures | (75,339) | 38,821 |
| Other Financing Sources (Uses): | | |
| Operating Transfers In | | |
| Other Financing Sources | 43,725 | 13 |
| Other Financing Uses | (15,838) | |
| Operating Transfers Out | (18,000) | |
| Total Other Financing Sources (Uses) | 9,887 | 13 |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (65,452) | 38,834 |
| Fund Balance at Beginning of Year | (39,485) | 39,132 |
| Fund Balance at End of Year | \$ (104,937) | \$ 77,966 |

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

| Governmental Fund Types | | Fiduciary Fund Type | Totals (Memorandum Only) |
|----------------------------|---------------------|------------------------|--|
| Debt Service | Capital Projects | Expendable Trust | |
| \$ 12,387 | \$ 534,131 9,596 | \$ 0 1,308 | \$ 3,288,794 40,918 2,072 59,103 500 11,129 1,409,964 19,929 |
| 160,715 | | 6,985 | |
| 173,102 | 543,727 | 8,293 | 4,832,409 |
| | 55,843 | | 2,113,222 466,564 162,717 3,275 |
| 5,157 | 18,898 | 7,100 | 117,413 116,440 13,682 480,104 101,239 342,305 166,558 6,718 455 140,111 313,204 |
| 103,000 62,197 | 313,204 | | 103,000 62,197 |
| 170,354 | 387,945 | 7,100 | 4,709,204 |
| 2,748 | 155,782 | 1,193 | 123,205 |
| 18,000 | | | 18,000 43,738 (15,838) (18,000) |
| 18,000 | | | 27,900 |
| 20,748 | 155,782 | 1,193 | 151,105 |
| 358,837 | 48,845 | 19,694 | 427,023 |
| \$ 379,585 | \$ 204,627 | \$ 20,887 | \$ 578,128 |

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1999**

| | Governmental Fund Types | | |
|--|-------------------------|-------------------|---|
| | General Fund | | |
| | Budget | Actual | Variance: Favorable (Unfavorable) |
| Revenues: | | | |
| Intergovernmental | \$ 2,645,185 | \$ 2,645,185 | \$ 0 |
| Interest | 27,787 | 27,787 | |
| Tuition and Fees | 2,072 | 2,072 | |
| Extracurricular Activities | | | |
| Rent | 500 | 500 | |
| Gifts and Donations | | | |
| Customer Services | | | |
| Property and Other Local Taxes | 1,289,758 | 1,289,758 | |
| Miscellaneous | 19,519 | 19,519 | |
| Total Revenues | 3,984,821 | 3,984,821 | |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 2,047,325 | 2,047,325 | |
| Special | 424,117 | 424,115 | 2 |
| Vocational | 160,742 | 160,661 | 81 |
| Other | 3,324 | 3,324 | |
| Support Services: | | | |
| Pupils | 121,252 | 121,226 | 26 |
| Instructional Staff | 102,573 | 102,570 | 3 |
| Board of Education | 13,837 | 13,837 | |
| Administration | 463,402 | 463,027 | 375 |
| Fiscal | 95,293 | 95,219 | 74 |
| Operation and Maintenance of Plant | 331,473 | 330,202 | 1,271 |
| Pupil Transportation | 171,863 | 171,574 | 289 |
| Central | 6,725 | 6,725 | |
| Non-Instructional Services | 482 | 482 | |
| Extracurricular activities | 99,809 | 99,809 | |
| Capital Outlay | | | |
| Debt Service: | | | |
| Principal | | | |
| Interest | | | |
| Total Expenditures | 4,042,217 | 4,040,096 | 2,121 |
| Excess of Revenues Over (Under) Expenditures | (57,396) | (55,275) | 2,121 |
| Other Financing Sources (Uses): | | | |
| Operating Transfers In | 16,471 | | (16,471) |
| Other Financing Sources | 43,725 | 43,725 | |
| Advances In | 3,000 | | (3,000) |
| Operating Transfers Out | (34,471) | (18,000) | 16,471 |
| Other Financing Uses | (105,385) | (15,838) | 89,547 |
| Advances Out | (3,000) | | 3,000 |
| Total Other Financing Sources (Uses) | (79,660) | 9,887 | 89,547 |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (137,056) | (45,388) | 91,668 |
| Fund Balances at Beginning of Year | 178,990 | 178,990 | |
| Prior Year Encumbrances Appropriated | 70,491 | 70,491 | |
| Fund Balance at end of Year | \$ 112,425 | \$ 204,093 | \$ 91,668 |

Governmental Fund Types

| Special Revenue | | | Debt Service | | |
|------------------------|------------------|--|---------------------|-------------------|--|
| Budget | Actual | Variance: Favorable (Unfavorable) | Budget | Actual | Variance: Favorable (Unfavorable) |
| \$ 102,978 | \$ 89,465 | \$ (13,513) | \$ 15,178 | \$ 15,178 | \$ 0 |
| 67,320 | 59,103 | (8,217) | | | |
| 5,850 | 4,144 | (1,706) | | | |
| 410 | 410 | | | | |
| | | | 225,829 | 159,306 | (66,523) |
| 176,558 | 153,122 | (23,436) | 241,007 | 174,484 | (66,523) |
| 24,527 | 24,527 | | | | |
| 56,375 | 47,419 | 8,956 | | | |
| 1,000 | 1,000 | | | | |
| 8,437 | 8,154 | 283 | | | |
| 12,916 | 9,999 | 2,917 | | | |
| 1,972 | 1,972 | | 5,250 | 5,156 | 94 |
| 60,665 | 54,521 | 6,144 | | | |
| | | | 98,021 | 98,021 | |
| | | | 84,938 | 67,176 | 17,762 |
| 165,892 | 147,592 | 18,300 | 188,209 | 170,353 | 17,856 |
| 10,666 | 5,530 | (5,136) | 52,798 | 4,131 | (48,667) |
| 325 | 13 | (312) | 26,000 | 18,000 | (8,000) |
| 3,000 | | (3,000) | | | |
| (3,000) | | 3,000 | | | |
| 325 | 13 | (312) | 26,000 | 18,000 | (8,000) |
| 10,991 | 5,543 | (5,448) | 78,798 | 22,131 | (56,667) |
| 35,959 | 35,959 | | 346,235 | 346,235 | |
| 8,151 | 8,151 | | | | |
| \$ 55,101 | \$ 49,653 | \$ (5,448) | \$ 425,033 | \$ 368,366 | \$ (56,667) |

(Continued)

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1999
(Continued)**

| | Governmental Fund Types | | |
|--|-------------------------|------------------|---|
| | Capital Projects | | |
| | Budget | Actual | Variance: Favorable (Unfavorable) |
| Revenues: | | | |
| Intergovernmental | \$ 641,252 | \$ 534,131 | \$ (107,121) |
| Interest | 10,810 | 8,456 | (2,354) |
| Tuition and Fees | | | |
| Extracurricular Activities | | | |
| Rent | | | |
| Gifts and Donations | | | |
| Customer Services | | | |
| Property and Other Local Taxes | | | |
| Miscellaneous | | | |
| Total Revenues | 652,062 | 542,587 | (109,475) |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 92,586 | 64,808 | 27,778 |
| Special | | | |
| Vocational | | | |
| Other | | | |
| Support Services: | | | |
| Pupils | | | |
| Instructional Staff | | | |
| Board of Education | | | |
| Administration | | | |
| Fiscal | | | |
| Operation and Maintenance of Plant | 23,000 | 18,898 | 4,102 |
| Pupil Transportation | | | |
| Central | | | |
| Non-Instructional Services | | | |
| Extracurricular activities | | | |
| Capital Outlay | 509,800 | 454,932 | 54,868 |
| Debt Service: | | | |
| Principal | | | |
| Interest | | | |
| Total Expenditures | 625,386 | 538,638 | 86,748 |
| Excess of Revenues Over (Under) Expenditures | 26,676 | 3,949 | (22,727) |
| Other Financing Sources (Uses): | | | |
| Operating Transfers In | | | |
| Other Financing Sources | | | |
| Advances In | | | |
| Operating Transfers Out | | | |
| Other Financing Uses | | | |
| Advances Out | | | |
| Total Other Financing Sources (Uses) | | | |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | 26,676 | 3,949 | (22,727) |
| Fund Balances at Beginning of Year | 48,543 | 48,543 | |
| Prior Year Encumbrances Appropriated | 47 | 47 | |
| Fund Balance at end of Year | \$ 75,266 | \$ 52,539 | \$ (22,727) |

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

| Fiduciary Fund Type | | | Totals (Memorandum Only) | | |
|---------------------|-----------|---|--------------------------|--------------|---|
| Expendable Trust | | | | | |
| Budget | Actual | Variance: Favorable (Unfavorable) | Budget | Actual | Variance: Favorable (Unfavorable) |
| \$1,567 | \$1,567 | \$0 | \$ 3,404,593 | \$ 3,283,959 | \$ (120,634) |
| | | | 40,164 | 37,810 | (2,354) |
| | | | 2,072 | 2,072 | |
| | | | 67,320 | 59,103 | (8,217) |
| | | | 500 | 500 | |
| 7,327 | 6,985 | (342) | 13,177 | 11,129 | (2,048) |
| | | | 410 | 410 | |
| | | | 1,515,587 | 1,449,064 | (66,523) |
| | | | 19,519 | 19,519 | |
| 8,894 | 8,552 | (342) | 5,063,342 | 4,863,566 | (199,776) |
| | | | 2,164,438 | 2,136,660 | 27,778 |
| | | | 480,492 | 471,534 | 8,958 |
| | | | 160,742 | 160,661 | 81 |
| | | | 3,324 | 3,324 | |
| | | | 122,252 | 122,226 | 26 |
| | | | 111,010 | 110,724 | 286 |
| | | | 13,837 | 13,837 | 0 |
| 8,455 | 7,135 | 1,320 | 484,773 | 480,161 | 4,612 |
| | | | 102,515 | 102,347 | 168 |
| | | | 354,473 | 349,100 | 5,373 |
| | | | 171,863 | 171,574 | 289 |
| | | | 6,725 | 6,725 | |
| | | | 482 | 482 | |
| | | | 160,474 | 154,330 | 6,144 |
| | | | 509,800 | 454,932 | 54,868 |
| | | | 98,021 | 98,021 | |
| | | | 84,938 | 67,176 | 17,762 |
| 8,455 | 7,135 | 1,320 | 5,030,159 | 4,903,814 | 126,345 |
| 439 | 1,417 | 978 | 33,183 | (40,248) | (73,431) |
| | | | 42,471 | 18,000 | (24,471) |
| | | | 44,050 | 43,738 | (312) |
| | | | 6,000 | | (6,000) |
| | | | (34,471) | (18,000) | 16,471 |
| | | | (105,385) | (15,838) | 89,547 |
| | | | (6,000) | | 6,000 |
| | | | (53,335) | 27,900 | 81,235 |
| 439 | 1,417 | 978 | (20,152) | (12,348) | 7,804 |
| 19,337 | 19,337 | | 629,064 | 629,064 | |
| | | | 78,689 | 78,689 | |
| \$ 19,776 | \$ 20,754 | \$ 978 | \$ 687,601 | \$ 695,405 | \$ 7,804 |

**COMBINED STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND EQUITY
ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1999**

| | <u>Proprietary Fund Type</u> | <u>Fiduciary Fund Type</u> | <u>Totals (Memorandum Only)</u> |
|--|----------------------------------|--------------------------------|---|
| | <u>Enterprise</u> | <u>Nonexpendable Trust</u> | |
| Operating Revenues: | | | |
| Sales | \$ 160,167 | \$ 0 | \$ 160,167 |
| Contributions and Donations | | 500 | 500 |
| Total Operating Revenues | <u>160,167</u> | <u>500</u> | <u>160,667</u> |
| Operating Expenses: | | | |
| Salaries | 77,825 | | 77,825 |
| Fringe Benefits | 37,129 | | 37,129 |
| Purchased Services | 1,412 | | 1,412 |
| Materials and Supplies | 123,324 | | 123,324 |
| Depreciation | 934 | | 934 |
| Other | 3,266 | 1,418 | 4,684 |
| Total Operating Expenses | <u>243,890</u> | <u>1,418</u> | <u>245,308</u> |
| Operating Loss | <u>(83,723)</u> | <u>(918)</u> | <u>(84,641)</u> |
| Non-Operating Revenues: | | | |
| Federal Donated Commodities | 23,500 | | 23,500 |
| Interest | 291 | 586 | 877 |
| Federal and State Subsidies | 40,868 | | 40,868 |
| Total Non-Operating Revenues | <u>64,659</u> | <u>586</u> | <u>65,245</u> |
| Net Loss | <u>(19,064)</u> | <u>(332)</u> | <u>(19,396)</u> |
| Retained Earnings/Fund Balance at Beginning of Year | 52,603 | 11,057 | 63,660 |
| Retained Earnings/Fund Balance at End of Year | <u>\$ 33,539</u> | <u>\$ 10,725</u> | <u>\$ 44,264</u> |

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

**COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1999**

| | Proprietary Fund Type | Fiduciary Fund Type | Totals (Memorandum Only) |
|--|--------------------------|------------------------|--------------------------------|
| | Enterprise | Nonexpendable Trust | |
| Decrease in Cash and Cash Equivalents | | | |
| Cash Flows from Operating Activities: | | | |
| Cash Received from Sales | \$ 158,066 | \$ 0 | \$ 158,066 |
| Cash Received from Contributions and Donations | | 500 | 500 |
| Cash Payments to Suppliers for Goods and Services | (73,537) | | (73,537) |
| Cash Payments for Contract Services | (1,412) | | (1,412) |
| Cash Payments for Employee Services | (75,337) | | (75,337) |
| Cash Payments for Employee Benefits | (36,690) | | (36,690) |
| Other Cash Payments | (14,897) | (1,418) | (16,315) |
| Net Cash Used by Operating Activities | (43,807) | (918) | (44,725) |
| Cash Flows from Noncapital Financing Activities: | | | |
| Operating Grants Received | 40,868 | | 40,868 |
| Cash Flows from Capital and Related Financing Activities: | | | |
| Acquisition of Capital Assets | (12,715) | | (12,715) |
| Cash Flows from Investing Activities: | | | |
| Interest on Investments | 167 | 586 | 753 |
| Net Decrease in Cash and Cash Equivalents | (15,487) | (332) | (15,819) |
| Cash and Cash Equivalents at Beginning of Year | 52,185 | 11,057 | 63,242 |
| Cash and Cash Equivalents at End of Year | \$ 36,698 | \$ 10,725 | \$ 47,423 |
| Reconciliation of Operating Loss to Net Cash Used for Operating Activities | | | |
| Operating Loss | \$ (83,723) | \$ (918) | \$ (84,641) |
| Adjustments to Reconcile Operating Loss To Net Cash Used for Operating Activities: | | | |
| Depreciation | 934 | | 934 |
| Donated Commodities Used During the Year | 23,500 | | 23,500 |
| (Increase) Decrease in Assets: | | | |
| Accounts Receivable | (2,101) | | (2,101) |
| Material and Supplies Inventory | 16,538 | | 16,538 |
| Increase (Decrease) in Liabilities: | | | |
| Compensated Absences Payable | (1,004) | | (1,004) |
| Intergovernmental Payable | 4,358 | | 4,358 |
| Deferred Revenue | (1,882) | | (1,882) |
| Accrued Wages and Benefits | (427) | | (427) |
| Total Adjustments | 39,916 | | 39,916 |
| Net Cash Used for Operating Activities | \$ (43,807) | \$ (918) | \$ (44,725) |
| Reconciliation of Nonexpendable Trust Fund Cash to Balance Sheet | | | |
| Total Trust and Agency Fund Cash per Balance Sheet | | | \$ 51,339 |
| Less: Expendable Trust and Agency Funds | | | 40,614 |
| Nonexpendable Trust Fund Cash | | | \$ 10,725 |

The Food Service Fund consumed donated commodities with a value of \$23,500.
The use of these commodities is reflected as an operating expense.

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

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NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Millcreek West Unity Local School District (the 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 District is a local school district as defined by § 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District. The Board oversees the operations of the District's instructional/support facility.

The Reporting Entity

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

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

The District is associated with five organizations, which are defined as jointly governed organizations and group purchasing pools. These organizations include the Northwest Ohio Computer Association, the Northern Buckeye Education Council, the Four County Joint Vocational School, the Northern Buckeye Education Council's Employee Insurance Benefits Program, and the Northern Buckeye Education Council Workers' Compensation Group Rating Plan. These organizations are presented in Notes 12, 13 and 14 to the general-purpose financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The modified accrual basis of accounting is followed for governmental, expendable trust, and agency funds. The measurement focus is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income determination. Under this basis of accounting:

1. Only current assets and current liabilities are generally included on their balance sheets.
2. Operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.
3. Revenues are recognized when they become both measurable and available to finance expenditures for the current period, which for the District is 60 days after year end.

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

- a. Revenue accrued at the end of the year included taxes, interest, student fees, and tuition.
 - b. Property taxes measurable but not available as of June 30, 1999, and delinquent property taxes, whose availability is indeterminate, have been recorded as deferred revenues.
4. Expenditures are recognized in the period in which the fund liability is incurred with the following exceptions: general long-term obligation principal and interest are reported only when due; the current costs of accumulated unpaid vacation and sick leave are reported in the period in which they will be liquidated with available financial resources, rather than in the period earned by employees.

The agency funds are custodial in nature and do not present results of operations or have measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agent capacity.

The proprietary and nonexpendable trust funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred. The District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements.

B. Fund Accounting

The District maintains its accounting in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity, which stands separate from the activities reporting in other funds. The restrictions associated with each class of funds are as follows:

1. Governmental Funds

The funds through which most Board of Education functions are typically financed.

General Fund - The fund used to account for all financial resources except those required to be segregated and accounted for in other funds. The general fund is the general operating fund of the District.

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

Debt Service Fund - The fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. According to the governmental accounting principles, the debt service fund accounts for the payment of long-term debt for governmental funds only. Under Ohio law, the debt service fund might also be used to account for the payment of debt for proprietary funds and the short-term debt of both governmental and proprietary funds.

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

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

2. Proprietary Funds

The funds used to account for Board activities that are similar to business operations in the private sector. Proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Proprietary fund measurement focus is upon determination of net income, financial position and cash flows.

Enterprise Funds - The funds used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

3. Fiduciary Funds

The funds used to account for assets not owned by the Board, but held for a separate entity.

Trust Funds - The funds used to account for assets held by governmental unit in a trustee capacity or as an agent for individuals, private organizations, and other governmental units, and/or other funds. These may include expendable trust funds and nonexpendable trust funds.

Agency Funds - The funds used to account for assets held by the District as an agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

4. Account Groups

General Fixed Assets - Fixed assets acquired or constructed for general governmental services are recorded as expenditures in the fund making the expenditures and capitalized at cost in the general fixed assets account group.

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

C. Budgetary Accounting

Budgets are adopted on a cash basis.

The District is required by State statute to adopt an annual appropriation budget for all funds. The specific timetable is as follows:

1. Prior to January 15, the Treasurer submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. A public hearing is publicized and conducted to obtain

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

taxpayers' comments. The purpose of this budget document is to reflect the need for existing (or increased) tax rates.

2. By no later than January 20, the Board adopted budget is filed with the County Budget Commission for rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources, which states the projected revenue of each fund. The annual appropriation measure (the true operating budget) is then developed at the fund, function and object level of expenditures, which are the legal levels of budgetary control.
4. By October 1, the annual appropriation measure for all funds is legally enacted by the Board of Education. The appropriation measure, by law, may not exceed the certificate of estimated resources. The certificate may be amended to include actual unencumbered balances at the June 30 fiscal year end or if projected increases or decreases in revenue are identified by the District during the year.
5. The District maintains budgetary control by not permitting expenditures to exceed appropriations within each fund, function and object without approval of the Board of Education. The Board permits management to make discretionary budgetary adjustments within each fund, which are approved by the Board on a monthly basis. Any adjustments that alter the total fund appropriation require specific action of the Board.
6. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be re-appropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund level.

The District's budget (budget basis) for all funds accounts for certain transactions on a basis, which differs from generally accepted accounting principles (GAAP basis). The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash for budget purposes as opposed to when susceptible to accrual for GAAP purposes.
2. Expenditures and expenses are recorded when paid in cash or encumbered for budget purposes as opposed to when the liability is incurred for GAAP purposes.

An analysis of the difference between GAAP and budgetary basis for all governmental fund types and expendable trust fund for the year ended June 30, 1999, follows:

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses

| | General | Special Revenue | Debt Service | Capital Projects | Expendable Trust |
|----------------------|--------------------|--------------------|------------------|---------------------|---------------------|
| Budget Basis | \$ (45,388) | \$ 5,543 | \$ 22,131 | \$ 3,949 | \$ 1,417 |
| Revenue Accruals | (37,149) | 6,493 | (1,382) | 1,140 | (259) |
| Expenditure Accruals | (16,842) | (7,033) | (1) | (42,128) | 35 |
| Other Sources/Uses | | | | | |
| Encumbrances | 33,927 | 33,831 | | 192,821 | |
| | <u>\$ (65,452)</u> | <u>\$ 38,834</u> | <u>\$ 20,748</u> | <u>\$ 155,782</u> | <u>\$ 1,193</u> |

D. Encumbrances

The District is required to use the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be re-appropriated.

E. Pooled Cash and Investments

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

During fiscal year 1999, investments were limited to nonnegotiable certificates of deposit. Nonnegotiable certificates of deposit are reported at cost.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue was credited to the following funds in the following amounts: General Fund \$30,014, Permanent Improvement \$9,596, Scholarship Expendable Trust Funds \$1,308, Food Service Fund \$291, and Scholarship Nonexpendable Trust Fund \$586.

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

F. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by statute to be set-aside by the

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

District to create a reserve for budget stabilization. See Note 17 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserve.

G. Inventory

Inventories of all funds are stated at cost. Cost is determined on a first-in, first-out basis. Inventory in governmental funds consist of expendable supplies held for consumption. The cost has been recorded as an expenditure at the time individual inventory items were purchased. Reported inventories in these funds are equally offset by a fund balance reserve which indicates they are unavailable for appropriation. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expended when used.

H. Property, Plant and Equipment

1. General Fixed Assets Account Group

General fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year in the general fixed assets account group. Improvements are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during construction of general fixed assets is also not capitalized. Contributed fixed assets are recorded at their fair market values as of the date donated. The District follows the policy of not capitalizing assets with a cost of less than \$500, except for the cost of textbooks. This is based primarily on the uniqueness of these items to a school operation and an existing five-year textbook adoption policy. No depreciation is recognized for assets in general fixed assets account group. The District does not have any infrastructure.

2. Proprietary Funds

Property plant and equipment reflected in the proprietary funds are stated at historical cost (or estimated historical cost) and updated for the cost of additions and retirements during the year. Contributed fixed assets are recorded at their fair market values as of the date donated. Depreciation has been provided for furniture, fixtures, and equipment on a straight line basis over an estimated useful life of ten years.

I. Intergovernmental Revenues

In governmental funds, entitlements and non-reimbursable grants are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Grants for proprietary fund operations are recognized as revenue when measurable and earned. This District currently participates in various state and federal programs, categorized as follows:

Entitlements

General Fund

State Foundation Program
State Bus Purchase Program

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

Non-Reimbursable Grants

General Fund

Equity Fund Grant

Special Revenue Funds

Drug Free School Grant

Title I

Title VI

Professional Staff Development Grant

Educational Management Information Systems (EMIS)

Textbook/Instructional Materials Subsidy

Handicapped Preschool (Through Northwest Ohio Educational Service Center)

Title VI-B Flow Through (Through Northwest Ohio Educational Service Center)

Eisenhower Grant Fund (Through Northwest Ohio Educational Service Center)

Capital Projects Funds

SchoolNet Plus

Technology Equity

Emergency School Building Repair

Reimbursable Grants

General Fund

Driver Education Reimbursement

Vocational Mileage Reimbursement (C. Perkins Grant)

Enterprise Fund

National School Lunch Program

Government Donated Commodities

J. Interfund Transactions

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

1. Transfers of resources from one fund to another fund through which resources are to be expended are recorded as operating transfers.
2. Reimbursements from one fund to another are treated as expenditures/expenses in the reimbursing fund and a reduction in expenditures/expenses in the reimbursed fund.
3. Short-term interfund loans are reflected as interfund loans receivable and interfund loans payable.

K. Fund Balance Reserves

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

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

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

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

L. Estimates

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

M. Compensated Absences

The District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 16, "Accounting for Compensated Absences". In conformity with GASB Statement No. 16, the District accrues vacation as earned by its employees if the leave is attributable to past service and it is probable that the District will compensate the employees for the benefits through paid time or some other means, such as cash payments at termination or retirement. Likewise, the District accrues for sick pay benefits as earned by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future. These compensated absences are measured using the rates in effect at June 30, 1999.

Sick leave benefits are accrued as a liability using the vested method. The liability includes the employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the District's termination policy.

For governmental funds, the District provides a liability for unpaid accumulated sick leave and vacation time for eligible employees in the period the employees become eligible to receive payment. The current portion of unpaid compensated absences is the amount to be paid using expendable available resources and is reported as an accrued liability in the fund from which the individuals who have accumulated the unpaid compensated absences are paid. The balance of the liability is reported in the general long-term obligations account group. In proprietary funds, compensated absences are expensed when earned. The entire amount of unpaid compensated absences is reported as a fund liability.

N. Pass-Through Grants

The Eisenhower, Title VI-B, and Handicapped Preschool Special Revenue Funds are pass-through grants in which the Northwest Ohio Education Service Center is the primary recipient. In accordance with GASB Statement No. 24 "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance" the secondary recipients should report monies spent on their behalf by the primary recipient as revenue and operating expenses.

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

O. Total Columns on Financial Statements

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This information is not comparable to a consolidation. Interfund-type eliminations have not been made in the combining of the data.

NOTE 3 - EQUITY IN POOLED CASH AND INVESTMENTS

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

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

Inactive deposits are public deposits that the treasurer 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 District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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

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

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

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

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

At fiscal year-end, the District had \$1,797 in cash and cash equivalents held by the Northwest Educational Service Center which is included on the balance sheet as "cash and cash equivalents with fiscal agents."

Cash on Hand

At fiscal year end, the District had \$100 in undeposited cash on hand which is included on the balance sheet of the District as part of "equity in pooled cash and cash equivalents."

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

Deposits

At fiscal year end, the carrying amount of the District's deposits was \$1,023,170 and the bank balance was \$1,114,191. Of the bank balance, \$102,071 was covered by federal depository insurance and \$1,012,120 collateralized by securities specifically pledged by the financial institution in the name of the District.

The classification of cash and cash equivalents on the combined financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting."

A reconciliation between the classifications of cash and cash equivalents on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999**

| | Cash and Cash Equivalents |
|-------------------------|------------------------------|
| GASB Statement 9 | \$ 1,025,067 |
| Cash with Fiscal Agents | (1,797) |
| Cash on Hand | (100) |
| GASB Statement 3 | \$ 1,023,170 |

NOTE 4 - PROPERTY TAXES

Property taxes include amounts levied against real, public utility, and tangible property located within the District. All property is required to be reappraised every six years with a triennial update.

Real property taxes, excluding public utility property, are assessed at 35 percent of appraised market value. Pertinent real property tax dates are:

| | |
|------------------|---|
| Collection Dates | January and July of the current year |
| Lien Date | January 1 of the year preceding the collection year |
| Levy Date | October 1 of the year preceding the collection year |

Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value.

The taxes are based on assessed values determined at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year. Pertinent tangible personal property tax dates are:

| | |
|------------------|---|
| Collection Dates | April and September of the current year |
| Lien Date | January 1 of the current year |
| Levy Date | October 1 of the year preceding the collection year |

Most public utility tangible personal property currently is assessed at 35 percent of its true value. Pertinent public utility tangible personal property tax dates are:

| | |
|------------------|--|
| Collection Dates | January and July of the current year |
| Lien Date | December 31 of the second year preceding the collection year |
| Levy Date | October 1 of the year preceding the collection year |

The Williams County Treasurer collects real estate property taxes on behalf of all taxing districts within the County. The County Auditor periodically remits to the District its portion of the taxes collected with final settlement in March and October.

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

The Williams County Treasurer collects personal property taxes on behalf of all taxing districts within the County. The County Auditor periodically remits to the District its portion of the taxes collected with final settlement in May and October.

Taxes receivable represent current and delinquent real property, tangible personal property, and public utility property taxes, which are measurable at June 30, 1999. These taxes are intended to finance the next fiscal year's operations, and are therefore offset by a credit to deferred revenue, except for the portion which is available to advance as of June 30, 1999.

The assessed values of properties upon which property tax revenues were based are as follows:

| | Amount |
|---------------------------|---------------|
| Agricultural/Residential | \$ 32,233,140 |
| Commercial/Industrial | 4,305,450 |
| Public Utility | 4,855,200 |
| General Personal Property | 7,402,360 |
| Total valuation | \$ 48,796,150 |

NOTE 5 - FIXED ASSETS

A summary of changes in the General Fixed Assets Account Group is as follows:

| Asset Category | Balance at 6/30/98 | Additions | Balance at 6/30/99 |
|------------------------------------|-----------------------|------------|-----------------------|
| Land and Land Improvements | \$ 21,419 | \$ 0 | \$ 21,419 |
| Buildings and Improvements | 3,423,918 | 152,126 | 3,576,044 |
| Furniture, Fixtures, and Equipment | 757,347 | 82,720 | 840,067 |
| Vehicles | 354,481 | | 354,481 |
| Textbooks and Library Books | 371,203 | 3,488 | 374,691 |
| Construction in Progress | | 174,585 | 174,585 |
| Totals | \$ 4,928,368 | \$ 412,919 | \$ 5,341,287 |

A summary of changes in the Enterprise Fund fixed assets is as follows:

| Asset Category | Balance at 6/30/99 |
|--------------------------------|-----------------------|
| Furniture and Equipment | \$ 49,956 |
| Less: Accumulated Depreciation | (32,975) |
| Totals | \$ 16,981 |

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999**

NOTE 6 - LONG-TERM OBLIGATIONS

During the year ended June 30, 1999, the following changes occurred in obligations reported in the General Long-Term Obligations Account Group:

| | Balance at 6/30/98 | Additions | Deductions | Balance at 6/30/99 |
|------------------------------------|-----------------------|------------------|-------------------|-----------------------|
| Elementary School Building | \$ 765,000 | | \$ 85,000 | \$ 680,000 |
| Energy Conservation Loan | 135,000 | | 18,000 | 117,000 |
| Long-Term Bonds | 900,000 | | 103,000 | 797,000 |
| Intergovernmental Payable | 20,622 | \$2,341 | | 22,963 |
| Compensated Absences | 351,253 | 55,015 | | 406,268 |
| Total Long-term Obligations | \$ 1,271,875 | \$ 57,356 | \$ 103,000 | \$ 1,226,231 |

Debt outstanding at June 30, 1999, consisted of general obligation bonds totaling \$680,000 and an energy conservation loan totaling \$117,000. Interest rates at June 30, 1999, were 7.5 percent and 5.86 percent for the bonds and loan, respectively. The bonds were issued in May 1986 and will mature in December 2006. The loan was obtained in August 1995 and will be paid completely by February 2006.

Total expenditures for interest for the above debt for the period ended June 30, 1999, was \$62,197.

The scheduled payments of principal and interest on debt outstanding at June 30, 1999, are as follows:

| Fiscal year Ending June 30, | Principal | Interest | Total |
|--------------------------------|-------------------|-------------------|---------------------|
| 2000 | \$ 103,000 | \$ 54,405 | \$ 157,405 |
| 2001 | 103,000 | 46,975 | 149,975 |
| 2002 | 103,000 | 39,545 | 142,545 |
| 2003 | 103,000 | 32,116 | 135,116 |
| 2004 | 103,000 | 24,686 | 127,686 |
| Thereafter | 282,000 | 30,270 | 312,270 |
| Total | \$ 797,000 | \$ 227,997 | \$ 1,024,997 |

NOTE 7 - COMPENSATED ABSENCES

Employees earn vacation at rates specified under State of Ohio law and based on credited service. Clerical, Technical, and Maintenance and Operation employees with one or more years of service are entitled to vacation ranging from 5 to 20 days. Employees with less than one year of service earn one vacation day per month worked, not to exceed five days. Certain employees are permitted to carry over vacation leave earned in the current year into the year.

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

All employees are entitled to a sick leave credit equal to one and one-quarter days for each month of service (earned on a pro rata basis for less than full-time employees). This sick leave will either be absorbed by time off due to illness or injury or, within certain limitations, be paid to the employee upon retirement. The amount paid to an employee upon retirement is limited to one-fourth of the accumulated sick leave to a maximum of 35 days. For employees with 10-19 years of service, the maximum is 43 days; for employees with 20 or more years of service, the maximum is 50 days.

At June 30, 1999, the current amount of unpaid compensated absences in all funds, except for the proprietary funds, and the balance of the liability in the general long-term obligations account group were \$29,801 and \$406,268, respectively. The liability for compensated absences in the proprietary funds at June 30, 1999, was \$8,441.

NOTE 8 - PENSION AND RETIREMENT PLANS

A. State Teachers Retirement System

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

Plan members are required to contribute 9.3% of their annual covered salary and the District is required to contribute 14%; 10.5% was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's contributions for pension obligations to STRS for the fiscal years ended June 30, 1999, 1998, and 1997, were \$257,486, \$237,484, \$244,283, respectively; 84% has been contributed for fiscal year 1999 and 100% for fiscal years 1998 and 1997. \$41,560, representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds.

B. School Employees Retirement System

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

Plan members are required to contribute 9% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14% of the annual covered payroll. Fiscal year 1998, 9.79% was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the School Employees Retirement Board. The District's contributions for pension obligations to SERS for the years ending June 30, 1999, 1998, and 1997, were \$53,536,

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

\$45,134, and \$40,765, respectively, 47% has been contributed for fiscal year 1999 and 100% for fiscal years 1998 and 1997. \$28,433, representing unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds and the general long-term obligations account group.

NOTE 9 - POSTEMPLOYMENT BENEFITS

The State Teachers Retirement System (STRS) provides comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physician fees, prescription drugs and reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Revised Code, the State Teachers Retirement Board has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of health care costs in the form of a monthly premium.

The Revised Code grants authority to STRS to provide health care coverage to benefit recipients, spouses and dependents. By Ohio law, the cost of the coverage paid from STRS funds shall be included in the employer contribution rate, currently at 14% of covered payroll.

The Retirement Board allocates employer contributions equal to 2% 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% of covered payroll to Health Care Reserve Fund. For the District, this amount equaled \$85,829 during fiscal year 1999. 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% of covered payroll.

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.

The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with 10 or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than 25 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% of the premium.

After the allocation for the basic benefits, the remainder of the employer's 14% contribution is allocated to providing health care benefits. At June 30, 1998, the allocation rate is 4.21%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal 1998, the minimum pay has been established as \$12,400. The surcharge, added to the unallocated portion of the 14% 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% 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, the Retirement System's net assets available for payment of health care benefits were \$160.3 million. The number of participants currently receiving health care benefits is approximately 50,000.

The portion of the District's employer contributions that were used to fund postemployment benefits can be determined by multiplying actual employer contributions times .3557, then adding the surcharge due as of June 30, 1998, as certified to the District by SERS.

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999**

For the District, the amount to fund health care benefits, including the surcharge, equaled \$29,800 during the 1999 fiscal year.

NOTE 10 - ENTERPRISE FUNDS SEGMENT INFORMATION

The District maintains three Enterprise Funds, which provide lunchroom/cafeteria, uniform school supply services, and adult education. Segment information for the year ended June 30, 1999, was as follows:

| | Lunchroom/ Cafeteria | Uniform School Supplies | Adult Education | Total Enterprise Funds |
|----------------------|-------------------------|-------------------------------|--------------------|------------------------------|
| Operating Revenues | \$ 131,931 | \$ 28,236 | \$ 0 | \$ 160,167 |
| Depreciation Expense | 934 | | | 934 |
| Operating Loss | (77,983) | (5,740) | | (83,723) |
| Donated Commodities | 23,500 | | | 23,500 |
| Grants | 40,868 | | | 40,868 |
| Interest | 291 | | | 291 |
| Net Loss | (13,324) | (5,740) | | (19,064) |
| Net Working Capital | (12,829) | 34,351 | 366 | 21,888 |
| Total Assets | 36,357 | 34,351 | 366 | 71,074 |
| Total Liabilities | 37,535 | | | 37,535 |
| Total Equity | (1,178) | 34,351 | 366 | 33,539 |

NOTE 11 - INTERFUND TRANSACTIONS

Transfers and advances between funds during the year ended June 30, 1999, were as follows:

| | Transfers In | Transfers Out |
|-------------------|------------------|------------------|
| General Fund | \$ 0 | \$ 18,000 |
| Debt Service Fund | 18,000 | 0 |
| Total All Funds | <u>\$ 18,000</u> | <u>\$ 18,000</u> |

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS

A. Northwest Ohio Computer Association

The District is a participant in the Northwest Ohio Computer Association (NWOCA). NWOCA is an association of public school districts within the boundaries of Defiance, Fulton, Henry, and Williams counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. NWOCA is governed by the Northern Buckeye Education Council and its participating members. Total fees paid by the District to NWOCA during this fiscal year were \$15,471. All payments made by the District for services received are made to the Northern Buckeye Education

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

Council. Financial information can be obtained from Cindy Siler, who serves as treasurer, at 22-900 State Route 34, Archbold, Ohio 43502.

B. Northern Buckeye Education Council

The Northern Buckeye Education Council (NBEC) was established in 1979 to foster cooperation among various educational entities located in Defiance, Fulton, Henry, and Williams counties. NBEC is organized under Ohio laws as a regional council of governments pursuant to a written agreement entered into by its member educational entities and bylaws adopted by the representatives of the member educational entities. NBEC is governed by an elected Board consisting of two representatives from each of the four counties in which the member educational entities are located. The Board is elected from an Assembly consisting of a representative from each participating educational entity. The District paid \$3,522 for services received through NBEC. To obtain financial information write to the Northern Buckeye Education Council, Cindy Siler, who serves as treasurer, at 22-900 State Route 34, Archbold, Ohio 43502.

C. Four County Joint Vocational School

The Four County Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the educational service centers from the counties of Defiance, Fulton, Henry, and Williams; one representative from each of the city school districts; one representative from each of the exempted village school districts; and one additional representative from Fulton County educational service center. The Four County Joint Vocational School possesses its own budgeting and taxing authority. No payments were made by the District to the Four County Joint Vocational School. To obtain financial information write to the Four County Joint Vocational School, Michele Zeedyk, who serves as treasurer, at Route 1, Box 245A, Archbold, Ohio 43502.

NOTE 13 - RISK MANAGEMENT

A. Comprehensive

The District maintains comprehensive insurance coverage with private carriers for liability, real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. In addition, real property contents are fully insured. Settled claims have not exceeded the amount of commercial coverage in any of the past three years, and there has been no significant reduction in the amount of insurance coverage from last year.

B. Employee Insurance Benefits Program

The District participates in the Northern Buckeye Education Council Employee Insurance Benefits Program (the Program), a public entity shared risk pool consisting of districts within Defiance, Fulton, Henry, and Williams Counties and other eligible governmental entities. The District pays monthly premiums to the Northern Buckeye Education Council for the benefits offered to its employees, which includes health, dental, and life insurance plans. Northern Buckeye Education Council is responsible for the management and operations of the program. The agreement for the Program provides for additional assessments to participants if the premiums are insufficient to pay the program costs for the fiscal year. Upon withdrawal from the Program, a participant is responsible for any claims not processed and paid and any related administrative costs.

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999**

C. Workers' Compensation Group Program

The District participates in the Northern Buckeye Education Council Workers' Compensation Group Rating Plan (the Plan), an insurance purchasing pool (Note 14). The Plan is intended to reduce premiums for the participants. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate.

Participation in the Plan is limited to educational entities that can meet the Plan's selection criteria. Each participant must apply annually. The Plan provides the participants with a centralized program for the processing, analysis and management of workers' compensation claims and a risk management program to assist in developing safer work environments. Each participant must pay its premiums, enrollment or other fees, and perform its obligations in accordance with the terms of the agreement.

NOTE 14 - GROUP PURCHASING POOLS

A. Northern Buckeye Education Council's Employee Insurance Benefits Program

Northern Buckeye Education Council Employee Insurance Benefits Program (the Pool) is a public entity shared risk pool consisting of educational entities located in Defiance, Fulton, Henry, and Williams counties. The Pool is governed by the Northern Buckeye Education Council and its participating members. Total disbursements made by the District to NBEC for employee insurance benefits during fiscal year ending June 30, 1999, was \$360,321. Financial information can be obtained from Northern Buckeye Education Council, Cindy Siler, who serves as treasurer, at 22-900 State Route 34, Archbold, Ohio 43502.

B. Northern Buckeye Education Council's Workers' Compensation Group Rating Plan

The District participates in a group rating plan for workers' compensation as established under § 4123.29 of the Ohio Revised Code. The Northern Buckeye Education Council Workers' Compensation Group Rating Plan (WCGRP) was established through the Northern Buckeye Education Council (NBEC) as an insurance purchasing pool. The WCGRP is governed by the Northern Buckeye Education Council and the participating members of the WCGRP. The Executive Director of the NBEC coordinates the management and administration of the program. During fiscal year ending June 30, 1999, the District paid an enrollment fee of \$524 to the WCGRP to cover the costs of administering the program.

NOTE 15 - AGENCY FUNDS

General-Purpose Statement of Changes in Assets and Liabilities

| | Balance at 06/30/98 | Change | Balance at 06/30/99 |
|-------------|------------------------|-----------|------------------------|
| Assets | \$ 23,651 | (\$3,824) | \$ 19,827 |
| Liabilities | \$ 23,651 | (\$3,824) | \$ 19,827 |

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999**

NOTE 16 - ACCOUNTABILITY

At June 30, 1999, the General Fund and the Food Service Fund had deficit fund balances of \$104,937 and \$1,178, respectively. These deficit balances were created by the application of generally accepted accounting principles.

NOTE 17 - SET-ASIDE CALCULATIONS AND FUND RESERVES

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

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

| | <u>Textbooks</u> | <u>Capital Acquisition</u> | <u>Budget Stabilization</u> | <u>Totals</u> |
|---|------------------|--------------------------------|---------------------------------|------------------|
| Set-aside Cash Balance as of June 30, 1998 | \$ 0 | \$ 0 | \$ 15,879 | \$ 15,879 |
| Current Year Set-aside Requirement | 54,774 | 54,774 | 3,983 | 113,531 |
| Current Year Offsets | (10,968) | | | (10,968) |
| Qualifying Disbursements | (43,806) | (54,774) | | (98,580) |
| Total | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 19,862</u> | <u>\$ 19,862</u> |
| Cash Balance Carried Forward to FY 1999 | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 19,862</u> | <u>\$ 19,862</u> |
| Amount restricted for budget stabilization | | | | <u>\$ 19,862</u> |
| Total Restricted Assets | | | | <u>\$ 19,862</u> |

NOTE 18 - YEAR 2000 ISSUE

The year 2000 issue is the result of shortcoming in many electronic data processing systems and other equipment that may affect the District's operations.

The 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's school building has heating, air conditioning and ventilation systems, which have efficiency utilization measures within the system. The District can manually override any computerized controls within the system.

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

The District contracts with the Northwest Ohio Computer Association (NWOCA) for its financial operations including financial reporting, payroll and employee benefits, and educational statistics reporting. NWOCA is responsible for remediating these systems.

Williams County collects property taxes for distribution to the District. The County is responsible for remediating its tax collection system.

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

To the best of management's knowledge and belief, as of January 6, 2000, the District 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 arise, and parties with whom the District does business may also experience Year 2000 readiness issues that are as yet, unknown.

NOTE 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 that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to this District. During the fiscal year ended June 30, 1999, the District received \$2,531,079 of school foundation support for its general fund.

Since the Supreme Court Ruling, numerous pieces of legislation have been passed by the Ohio General Assembly 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 the 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 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.



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OFFICE OF THE AUDITOR

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

Millcreek West Unity Local School District
Williams County
113 South Defiance Street
PO Box 505
West Unity, Ohio 43570-0505

To the Board of Education:

We have audited the financial statements of Millcreek West Unity Local School District, Williams County, (the District) as of and for the year ended June 30, 1999, and have issued our report thereon dated January 6, 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 the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated January 6, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated January 6, 2000.

Millcreek West Unity Local School District
Williams County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

Jim Petro
Auditor of State

January 6, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

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MILLCREEK WEST UNITY LOCAL SCHOOL DISTRICT

WILLIAMS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 25, 2000**