

**WINDHAM EXEMPTED VILLAGE  
SCHOOL DISTRICT**

**ANNUAL REPORT**

**YEAR ENDED JUNE 30, 1999**

**WOLFE, WILSON & PHILLIPS, INC.**  
CERTIFIED PUBLIC ACCOUNTANTS

**WINDHAM EXEMPTED VILLAGE  
SCHOOL DISTRICT**

**ANNUAL REPORT**

**YEAR ENDED JUNE 30, 1999**

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY**

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**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY**

**ELECTED OFFICIALS  
AS OF JUNE 30, 1999**

<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>
Marilyn John	President	1/1/98-12/31/01
Laura Stanley	Vice-President	1/1/98-12/31/01
Terri Attiere	Member	1/1/98-12/31/01
Richard Viebranz	Member	1/1/96-12/31/99
Howard Furl	Member	1/1/96-12/31/99

Statutory Legal Counsel

Portage County Prosecuting Attorney  
466 Chestnut Street  
Reverna, Ohio 44266

Official Address

Windham Exempted Village School District  
9530 Bauer Avenue  
Windham, Ohio 44288

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY**

**ADMINISTRATIVE PERSONNEL  
AS OF JUNE 30, 1999**

<u>TITLE NAME</u>	<u>TERM OF OFFICE OR CONTRACT PERIOD</u>	<u>SURETY</u>	<u>AMOUNT</u>	<u>PERIOD</u>
<u>Superintendent</u> Dr. Vince Frammartino	08/01/99-07/31/03	(B)	\$20,000	1/1/97-1/1/00
<u>Treasurer</u> Jeffery W. Hostetler	01/01/98-12/31/98	(A)	\$20,000	1/1/98-12/31/98
Denise P. Latessa	3/22/99-Org. Meeting (00)	(A)	\$20,000	3/22/99-Org. Mtg(00)
<u>Interim</u> Duane Leigh	01/01/99-03/22/99	(A)	\$20,000	1/1/99-3/22-99

(A) Wausau Insurance Company

(B) Nationwide Insurance Company

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY  
INDEX OF FUNDS**

**GOVERNMENTAL FUND TYPE:**

**General Fund Type:**

General Fund

**Special Revenue Fund Type:**

Emergency Levy Fund

Education Support Fund

Educational Management Information Systems Fund

Library Automation Grant Fund

Facility Maintenance Fund

Athletic Fund

Teacher Development Fund

Public Preschool Fund

Disadvantaged Pupil Program Fund

Technology Equity Fund

Venture Capital Fund

Textbook Subsidy

Title I Fund - Special Education Needs of Disadvantaged Children

Title VI-B Fund – Special Education: Assistance to States for Handicapped Children

Title VI Fund – Consolidation of Federal Programs for Elementary and Secondary Education

Special Education Preschool Fund

Drug Free Schools Fund

Goals 2000 Fund

E Rate Fund

**Debt Service Fund Types:**

Bond Retirement Fund

**Capital Projects Fund Types:**

Permanent Improvement Fund

School Net Plus Fund

Classroom Facilities Fund

Technology Equity Fund

**PROPRIETARY FUND TYPE:**

**Enterprise Fund Type:**

Food Service Fund

Uniform Supply fund

**Internal Service Fund Type:**

Special Rotary Funds

**FIDUCIARY FUND TYPE:**

**Trust Fund Type:**

**Expendable and Non-Expendable Trust Funds**

Special Trust Fund

Endowment Fund

**Agency Fund Type**

Student Activity



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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

Board of Education  
Windham Exempted Village School District  
Windham, Ohio 44288

We have reviewed the independent auditor's report of the Windham Exempted Village School District, Portage County, prepared by Wolfe, Wilson, & Phillips, Inc., Certified Public Accountants, for the audit period July 1, 1998 through June 30, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Windham Exempted Village School District is responsible for compliance with these laws and regulations.



JIM PETRO  
Auditor of State

January 11, 2000

**WOLFE, WILSON, & PHILLIPS, INC.**

**CERTIFIED PUBLIC ACCOUNTANTS**

37 S. SEVENTH STREET • ZANESVILLE, OHIO 43701

(740) 453-9600 • FAX - (740) 453-9763

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**INDEPENDENT AUDITORS' REPORT**

Windham Exempted Village School District  
9530 Bauer Avenue  
Windham, Ohio 44288

We have audited the accompanying general-purpose financial statements of the Windham Exempted Village School District as of and for the year ended June 30, 1999. 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 and *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 Windham Exempted Village School District as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types 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 a report dated December 8, 1999, on our consideration of the Windham Exempted Village School District's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was made for the purpose of forming an opinion on the financial statements of the 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 financial statements. The Statement of Changes in Assets and Liabilities - Agency Fund is also presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general-purpose financial statements taken as a whole.

*Wolfe, Wilson, & Phillips, Inc.*

Zanesville, Ohio  
December 8, 1999

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Brad Wolfe, J.D., M.B.A., CPA

Joseph W. Wilson, M.B.A., CPA, CMA

Kenneth B. Phillips, CPA



**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**JUNE 30, 1999**

*Governmental*

*Fund Types*

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
<b><u>Assets and Other Debits:</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$2,008,263	\$392,014	\$38,613	\$5,041,965
Receivables (net of allowance for doubtful accounts):				
Taxes	977,239	229,441	76,697	0
Accounts	1,547	178	0	0
Intergovernmental	0	22,363	0	0
Due from Other Funds	17,678	25	0	0
Inventory of Supplies at Cost	1,377	0	0	0
Prepaid Items	2,724	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	78,848	0	0	0
Fixed Assets (net of accumulated depreciation)	0	0	0	0
Other Debits:				
Amount Available in Debt Service Fund	0	0	0	0
Amount to be Provided for General Long-Term Obligations	0	0	0	0
<b>Total Assets and Other Debits</b>	<b><u>\$3,087,676</u></b>	<b><u>\$644,021</u></b>	<b><u>\$115,310</u></b>	<b><u>\$5,041,965</u></b>
<b><u>Liabilities, Equity and Other Credits:</u></b>				
<b>Liabilities:</b>				
Accounts Payable	\$68,953	\$24,405	\$0	\$926,425
Accrued Wages and Benefits	733,543	87,632	0	0
Intergovernmental Payables	136,980	25,976	0	0
Due to Other Funds	25	0	0	0
Due to Students	0	0	0	0
Deferred Revenue	0	0	0	0
Deferred Revenue - Taxes	893,369	203,395	67,878	0
General Obligation Bond Payable	0	0	0	0
Compensated Absences Payable	0	0	0	0
Capital Lease Payable	0	0	0	0
<b>Total Liabilities</b>	<b><u>1,832,870</u></b>	<b><u>341,408</u></b>	<b><u>67,878</u></b>	<b><u>926,425</u></b>
<b>Equity and Other Credits:</b>				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balances:				
Reserved for Encumbrances	72,844	17,562	0	2,894
Reserved for Property Taxes	83,870	26,046	8,819	0
Statutory Reserves	78,848	0	0	0
Reserved for Supplies Inventory	1,377	0	0	0
Reserved for Prepaid Items	2,724	0	0	0
Reserved for Endowments	0	0	0	0
Reserved for Debt Service	0	0	38,613	0
Unreserved:				
Undesignated	1,015,143	259,005	0	4,112,646
<b>Total Equity and Other Credits</b>	<b><u>1,254,806</u></b>	<b><u>302,613</u></b>	<b><u>47,432</u></b>	<b><u>4,115,540</u></b>
<b>Total Liabilities, Equity and Other Credits</b>	<b><u>\$3,087,676</u></b>	<b><u>\$644,021</u></b>	<b><u>\$115,310</u></b>	<b><u>\$5,041,965</u></b>

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

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**JUNE 30, 1999**

<i>Proprietary</i> <u>Fund Types</u>	<i>Fiduciary</i> <u>Fund Types</u>	<i>Account</i> <u>Groups</u>		Totals (Memorandum Only)
Enterprise Funds	Trust and Agency Funds	General Fixed Assets	General Long Term Obligations	
\$389	\$12,124	\$0	\$0	\$7,493,368
0	0	0	0	1,283,377
22	233	0	0	1,980
23,830	0	0	0	46,193
0	0	0	0	17,703
11,552	0	0	0	12,929
0	0	0	0	2,724
0	26,682	0	0	105,530
13,112	0	8,607,246	0	8,620,358
0	0	0	38,613	38,613
0	0	0	2,338,155	2,338,155
<u>\$48,905</u>	<u>\$39,039</u>	<u>\$8,607,246</u>	<u>\$2,376,768</u>	<u>\$19,960,930</u>
\$224	\$39	\$0	\$0	\$1,020,046
38,195	0	0	0	859,370
18,473	0	0	58,754	240,183
17,678	0	0	0	17,703
0	11,651	0	0	11,651
3,045	0	0	0	3,045
0	0	0	0	1,164,642
0	0	0	1,456,984	1,456,984
10,647	0	0	818,286	828,933
0	0	0	42,744	42,744
<u>88,262</u>	<u>11,690</u>	<u>0</u>	<u>2,376,768</u>	<u>5,645,301</u>
0	0	8,607,246	0	8,607,246
(39,357)	0	0	0	(39,357)
0	0	0	0	93,300
0	0	0	0	118,735
0	0	0	0	78,848
0	0	0	0	1,377
0	0	0	0	2,724
0	26,915	0	0	26,915
0	0	0	0	38,613
0	434	0	0	5,387,228
<u>(39,357)</u>	<u>27,349</u>	<u>8,607,246</u>	<u>0</u>	<u>14,315,629</u>
<u>\$48,905</u>	<u>\$39,039</u>	<u>\$8,607,246</u>	<u>\$2,376,768</u>	<u>\$19,960,930</u>

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**  
**COMBINED STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	<i>Governmental</i>			<i>Fiduciary</i>		Totals (Memorandum Only)
	<i>Fund Types</i>			<i>Fund Type</i>		
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Expendable Trust Fund	
<b>Revenues:</b>						
<b>Local Sources:</b>						
Taxes	\$795,442	\$209,832	\$179,487	\$0	\$0	\$1,184,761
Tuition	41,083	0	0	0	0	41,083
Investment Earnings	174,283	33	0	33,772	0	208,088
Extracurricular Activities	0	110,577	0	0	0	110,577
Class Material and Fees	1,331	0	0	0	0	1,331
Intergovernmental - State	5,219,701	681,264	14,345	6,472,229	0	12,387,539
Intergovernmental - Federal	117,607	366,525	0	0	0	484,132
All Other Revenues	6,633	16,882	0	6,125	0	29,640
<b>Total Revenues</b>	<b>6,356,080</b>	<b>1,385,113</b>	<b>193,832</b>	<b>6,512,126</b>	<b>0</b>	<b>14,447,151</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Instruction	3,744,323	846,349	0	46,272	0	4,636,944
<b>Supporting Services:</b>						
Pupils	236,536	58,737	0	0	0	295,273
Instructional Staff	193,226	151,945	0	387	0	345,558
Board of Education	65,867	0	0	0	0	65,867
Administration	655,327	52,319	0	0	0	707,646
Fiscal Services	220,865	4,351	1,437	10,539	0	237,192
Business	11,173	0	0	0	0	11,173
Operation and Maintenance of Plant	535,014	0	0	2,262	0	537,276
Pupil Transportation	233,322	8,336	0	0	0	241,658
Central	1,007	8,714	0	0	0	9,721
Extracurricular Activities	125,132	48,184	0	0	0	173,316
Capital Outlay	0	0	0	3,429,175	0	3,429,175
<b>Debt Service:</b>						
Principal Retirements	0	0	110,574	0	0	110,574
Interest and Fiscal Charges	0	0	90,321	0	0	90,321
<b>Total Expenditures</b>	<b>6,021,792</b>	<b>1,178,935</b>	<b>202,332</b>	<b>3,488,635</b>	<b>0</b>	<b>10,891,694</b>
<b>Excess (Deficiency) of</b>						
Revenues Over (Under) Expenditures	334,288	206,178	(8,500)	3,023,491	0	3,555,457
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Fixed Assets	1,500	0	0	0	0	1,500
Refunds of Prior Years' Expenditures	3,214	609	0	0	0	3,823
Operating Transfers In	422,333	0	0	0	0	422,333
Operating Transfers Out	0	(422,333)	0	0	0	(422,333)
<b>Total Other Financing Sources (Uses)</b>	<b>427,047</b>	<b>(421,724)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,323</b>
<b>Excess (Deficiency) of Revenues</b>						
<b>and Other Financing Sources Over (Under)</b>						
Expenditures and Other Financing Uses	761,335	(215,546)	(8,500)	3,023,491	0	3,560,780
Fund Balance Beginning of Year	494,386	518,159	55,932	1,092,049	434	2,160,960
Decrease in Inventory Reserve	(915)	0	0	0	0	(915)
<b>Fund Balance End of Year</b>	<b>\$1,254,806</b>	<b>\$302,613</b>	<b>\$47,432</b>	<b>\$4,115,540</b>	<b>\$434</b>	<b>\$5,720,825</b>

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

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**ALL GOVERNMENTAL FUND TYPES**  
**FISCAL YEAR ENDED JUNE 30, 1999**

	<i>General Fund</i>			<i>Special Revenue Funds</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>						
Local Sources:						
Taxes	\$775,369	\$775,369	\$0	\$224,616	\$224,616	\$0
Tuition	40,385	40,385	0	0	0	0
Investment Earnings	174,283	174,283	0	33	33	0
Extracurricular Activities	0	0	0	110,499	110,499	0
Class Material and Fees	1,331	1,331	0	0	0	0
Intergovernmental - State	5,227,393	5,227,393	0	681,264	681,264	0
Intergovernmental - Federal	117,607	117,607	0	344,162	344,162	0
All Other Revenues	5,807	5,807	0	16,782	16,782	0
<b>Total Revenues</b>	<b>6,342,175</b>	<b>6,342,175</b>	<b>0</b>	<b>1,377,356</b>	<b>1,377,356</b>	<b>0</b>
<b>Expenditures:</b>						
Current:						
Instruction	3,661,555	3,661,555	0	833,928	833,928	0
Supporting Services:						
Pupils	224,539	224,539	0	66,674	66,674	0
Instructional Staff	161,005	161,005	0	150,033	150,033	0
Board of Education	77,952	77,952	0	0	0	0
Administration	597,312	597,312	0	56,456	56,456	0
Fiscal Services	183,891	183,891	0	4,351	4,351	0
Business	10,905	10,905	0	0	0	0
Operation and Maintenance of Plant	543,509	543,509	0	0	0	0
Pupil Transportation	292,844	292,844	0	8,336	8,336	0
Central	1,070	1,070	0	8,754	8,754	0
Extracurricular Activities	126,285	126,285	0	49,818	49,818	0
Capital Outlay	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>5,880,867</b>	<b>5,880,867</b>	<b>0</b>	<b>1,178,350</b>	<b>1,178,350</b>	<b>0</b>
Excess (Deficiency) of						
Revenues Over (Under) Expenditures	461,308	461,308	0	199,006	199,006	0
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Fixed Assets	1,500	1,500	0	0	0	0
Refunds of Prior Years' Expenditures	3,214	3,214	0	609	609	0
Operating Transfers In	422,333	422,333	0	0	0	0
Operating Transfers Out	0	0	0	(422,333)	(422,333)	0
Advances Out	(17,678)	(17,678)	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>409,369</b>	<b>409,369</b>	<b>0</b>	<b>(421,724)</b>	<b>(421,724)</b>	<b>0</b>
Excess (Deficiency) of Revenues						
and Other Financing Sources Over (Under)						
Expenditures and Other Financing Uses	870,677	870,677	0	(222,718)	(222,718)	0
Fund Balance at Beginning of Year	1,079,691	1,079,691	0	567,724	567,724	0
Prior Year Encumbrances	52,651	52,651	0	5,783	5,783	0
Fund Balance at End of Year	<b>\$2,003,019</b>	<b>\$2,003,019</b>	<b>\$0</b>	<b>\$350,789</b>	<b>\$350,789</b>	<b>\$0</b>

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

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**ALL GOVERNMENTAL FUND TYPES**  
**FISCAL YEAR ENDED JUNE 30, 1999**

<i>Debt Service Fund</i>			<i>Capital Projects Funds</i>			<i>Totals (Memorandum Only)</i>		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$177,938	\$177,938	\$0	\$0	\$0	\$0	\$1,177,923	\$1,177,923	\$0
0	0	0	0	0	0	40,385	40,385	0
0	0	0	33,772	33,772	0	208,088	208,088	0
0	0	0	0	0	0	110,499	110,499	0
0	0	0	0	0	0	1,331	1,331	0
14,345	14,345	0	6,472,229	6,472,229	0	12,395,231	12,395,231	0
0	0	0	0	0	0	461,769	461,769	0
0	0	0	6,125	6,125	0	28,714	28,714	0
192,283	192,283	0	6,512,126	6,512,126	0	14,423,940	14,423,940	0
0	0	0	54,707	54,707	0	4,550,190	4,550,190	0
0	0	0	0	0	0	291,213	291,213	0
0	0	0	437	437	0	311,475	311,475	0
0	0	0	0	0	0	77,952	77,952	0
0	0	0	0	0	0	653,768	653,768	0
1,437	1,437	0	10,052	10,052	0	199,731	199,731	0
0	0	0	0	0	0	10,905	10,905	0
0	0	0	2,262	2,262	0	545,771	545,771	0
0	0	0	0	0	0	301,180	301,180	0
0	0	0	0	0	0	9,824	9,824	0
0	0	0	0	0	0	176,103	176,103	0
0	0	0	2,514,236	2,514,236	0	2,514,236	2,514,236	0
110,574	110,574	0	0	0	0	110,574	110,574	0
90,321	90,321	0	0	0	0	90,321	90,321	0
202,332	202,332	0	2,581,694	2,581,694	0	9,843,243	9,843,243	0
(10,049)	(10,049)	0	3,930,432	3,930,432	0	4,580,697	4,580,697	0
0	0	0	0	0	0	1,500	1,500	0
0	0	0	0	0	0	3,823	3,823	0
0	0	0	0	0	0	422,333	422,333	0
0	0	0	0	0	0	(422,333)	(422,333)	0
0	0	0	0	0	0	(17,678)	(17,678)	0
0	0	0	0	0	0	(12,355)	(12,355)	0
(10,049)	(10,049)	0	3,930,432	3,930,432	0	4,568,342	4,568,342	0
48,662	48,662	0	1,100,351	1,100,351	0	2,796,428	2,796,428	0
0	0	0	4,050	4,050	0	62,484	62,484	0
\$38,613	\$38,613	\$0	\$5,034,833	\$5,034,833	\$0	\$7,427,254	\$7,427,254	\$0

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN RETAINED EARNINGS/FUND BALANCE  
 PROPRIETARY FUND TYPE AND SIMILAR TRUST FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	Enterprise Funds	Nonexpendable Trust Fund	
<b><u>Operating Revenues:</u></b>			
Tuition and Fees	\$13,011	\$0	\$13,011
Sales	103,019	0	103,019
Other Operating Revenues	0	10,259	10,259
Investment Earnings	0	2,337	2,337
Total Operating Revenues	<u>116,030</u>	<u>12,596</u>	<u>128,626</u>
<b><u>Operating Expenses:</u></b>			
Salaries and Wages	132,190	0	132,190
Fringe Benefits	45,354	0	45,354
Contractual Services	3,505	0	3,505
Materials and Supplies	150,524	0	150,524
Depreciation	30	0	30
Other Operating Expenses	567	1,250	1,817
Total Operating Expenses	<u>332,170</u>	<u>1,250</u>	<u>333,420</u>
Operating Income (Loss)	(216,140)	11,346	(204,794)
<b><u>Non-Operating Revenues (Expenses):</u></b>			
Operating Grants	151,235	0	151,235
Federally Donated Commodities	13,280	0	13,280
Other Non-Operating Revenue	4,060	0	4,060
Total Non-Operating Revenues (Expenses)	<u>168,575</u>	<u>0</u>	<u>168,575</u>
Net Income (Loss)	(47,565)	11,346	(36,219)
Retained Earnings/Fund Balance at Beginning of Year	8,208	15,569	23,777
Retained Earnings (Accumulated Deficit)/ Fund Balance at End of Year	<u>(\$39,357)</u>	<u>\$26,915</u>	<u>(\$12,442)</u>

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

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**  
**COMBINED STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	Totals
	Enterprise Funds	Nonexpendable Trust Fund	(Memorandum Only)
<b><u>Cash Flows from Operating Activities:</u></b>			
Cash Received from Customers	\$4,060	\$10,026	\$14,086
Cash Received from Tuition and Fee Payments	116,341	0	116,341
Cash Payments for Goods and Services	(138,497)	(1,250)	(139,747)
Cash Payments to Employees for Services and Benefits	(154,096)	0	(154,096)
Net Cash Provided (Used) by Operating Activities	<u>(172,192)</u>	<u>8,776</u>	<u>(163,416)</u>
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>			
Operating Grants Received	148,500	0	148,500
Transfers in from Other Funds	17,678	0	17,678
Net Cash Provided by Noncapital Financing Activities	<u>166,178</u>	<u>0</u>	<u>166,178</u>
<b><u>Cash Flows from Financing Activities:</u></b>			
Receipts of Interest	0	2,337	2,337
Net Cash Provided by Noncapital Financing Activities	<u>0</u>	<u>2,337</u>	<u>2,337</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(6,014)	11,113	5,099
Cash and Cash Equivalents at Beginning of Year	6,403	15,569	21,972
Cash and Cash Equivalents at End of Year	<u>\$389</u>	<u>\$26,682</u>	<u>\$27,071</u>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash</u></b>			
<b><u>Used by Operating Activities:</u></b>			
Operating Income (Loss)	(\$216,140)	\$11,346	(\$204,794)
<b>Adjustments to Reconcile Operating Loss to</b>			
<b>Net Cash Used by Operating Activities:</b>			
Miscellaneous Nonoperating Income	4,060	0	4,060
Depreciation Expense	30	0	30
Donated Commodities Used During the Year	13,280	0	13,280
Receipts of Interest	0	(2,337)	(2,337)
<b>Changes in Assets and Liabilities:</b>			
Decrease (Increase) in Accounts Receivable	311	(233)	78
Decrease in Inventory	3,194	0	3,194
Increase in Accounts Payable	194	0	194
Increase in Accrued Wages and Benefits	21,762	0	21,762
Increase in Intergovernmental Payables	991	0	991
Decrease in Deferred Revenue	(569)	0	(569)
Increase in Compensated Absences	695	0	695
Total Adjustments	<u>43,948</u>	<u>(2,570)</u>	<u>41,378</u>
Net Cash Provided (Used) by Operating Activities	<u>(\$172,192)</u>	<u>\$8,776</u>	<u>(\$163,416)</u>

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

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Windham Exempted Village School District, Ohio (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 governed by a locally elected five member Board of Education (the Board) which provides educational services. The Board controls the District's instructional support facilities staffed by approximately 55 noncertified and approximately 90 certified teaching personnel and administrative employees providing education to 1,186 students.

The accompanying general purpose financial statements include all funds and account groups of the primary government (District) based on criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity." The District considered potential units for inclusion in the financial statements. Generally, component units are legally separate organizations for which elected officials of the district would be financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization and either the District's ability to impose its will over the organization or the possibility that the organization will provide a financial benefit to, or impose a financial burden on the District. There were no potential component units that met the criteria imposed by GASB Statement No. 14 to be included in the District's reporting entity. Based on the foregoing, the reporting entity of the District includes the following services: instructional (regular, special education, vocational), student guidance, extracurricular activities, food service, pupil transportation and care and upkeep of grounds and buildings.

The accounting policies and financial reporting practices of the District conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of its significant accounting policies.

**B. Basis of Presentation - Fund Accounting**

The accounting system is organized and operated on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are summarized by type in the general purpose financial statements.

The following fund types and account groups are used by the District:

***Governmental Funds*** - These are funds through which most governmental functions typically are financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the District's governmental fund types:



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**B. Basis of Presentation - Fund Accounting (Continued)**

General Fund - This fund is the general operating fund of the district and is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Debt Service Fund - This fund is used for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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

Proprietary Funds - The proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and all liabilities associated with the operation of the proprietary funds are included on the balance sheet. Fund equity (i.e., net assets) is segregated into contributed capital and retained earnings components. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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

***Fiduciary Funds***

Trust and Agency Funds - These funds are used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The District maintains an expendable trust fund, a non-expendable trust fund and an agency fund. The expendable trust fund is accounted for and reported similarly to a governmental fund; the non-expendable trust fund is accounted for similarly to a proprietary fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

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

General Long-Term Obligations Account Group - This account group is established to account for all long-term debt and other long-term liabilities of the District except those accounted for in the proprietary funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**C. Basis of Accounting**

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds and expendable trust and agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the District is considered to be 60 days after fiscal year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Revenue considered susceptible to accrual at year end includes property taxes available for advance, income taxes, tuition, grants and entitlements, student fees, and interest on investments.

Property taxes measurable as of June 30, 1999 but which are not intended to finance fiscal year 1999 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 4.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds. Revenues are recognized when they are earned and expenses are recognized when incurred.

Pursuant to GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting," the District follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

**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 timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year.

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The primary level of budgetary control is at the object level within each department. Budgetary modifications may only be made by resolution of the Board of Education.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

1. Tax Budget

By January 15, the Superintendent and Treasurer submit an annual operating budget for the following fiscal year to the Board of Education for consideration and passage. The adopted budget 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 fiscal year.

2. Estimated Resources

Prior to April 1, the Board accepts by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the 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 appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund 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 the amounts in the final amended official certificate of estimated resources issued during fiscal year 1999.

3. Appropriations

A temporary appropriation measure to control expenditures may be passed on or about July 1 of each year for the period July 1 through September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 through June 30. The appropriation resolution establishes spending controls at the fund, department and object level. The appropriation resolution may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year with approval of the Board. During the year, several supplemental appropriations were necessary to budget the use of contingency funds. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual-All Governmental Fund Types" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

4. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported as reservations of fund balances for governmental funds in the accompanying general purpose financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

5. Lapsing of Appropriations

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

6. Budgetary Basis of Accounting

The District's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the governmental funds:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
GAAP Basis (as reported)	\$761,335	(\$215,546)	(\$8,500)	\$3,023,491
Increase (Decrease):				
Accrued Revenues at June 30, 1999, received during FY 2000	(103,095)	(48,612)	(8,819)	0
Accrued Revenues at June 30, 1998, received during FY 1999	71,512	40,855	7,270	0
Accrued Expenditures at June 30, 1999, paid during FY 2000	939,501	138,013	0	926,425
Accrued Expenditures at June 30, 1998, paid during FY 1999	(713,795)	(96,203)	0	(12,352)
FY 1998 Prepays for FY 1999	2,035	0	0	0
FY 1999 Prepays for FY 2000	(2,724)	0	0	0
Encumbrances Outstanding at June 30, 1999	(84,092)	(41,225)	0	(7,132)
Budget Basis	<u>\$870,677</u>	<u>(\$222,718)</u>	<u>(\$10,049)</u>	<u>\$3,930,432</u>

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Cash and Cash Equivalents**

During fiscal year 1999, cash and cash equivalents included amounts in demand deposits and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio is a very liquid investment and is reported as a cash equivalent in the general purpose financial statements.

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 3, Cash, Cash Equivalents and Investments.

**F. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the District reports its money market funds at fair value.

The District has invested funds in the STAR Ohio during 1999. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 1999. See Note 3, Cash, Cash Equivalents and Investments.

**G. Inventory**

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental and expendable trust funds when purchased and as expenses in the proprietary funds when used.

**H. Fixed Assets and Depreciation**

The accounting and reporting treatment applied to fixed assets is determined by their ultimate use:

**1. Property, Plant and Equipment - General Governmental Purposes**

Fixed assets acquired or constructed for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years) in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received. The District does not possess any infrastructure.

General fixed asset values were initially determined by identifying historical costs where such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain fixed assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

The District has elected not to record depreciation in the General Fixed Assets Account Group.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Fixed Assets and Depreciation (Continued)**

**2. Property, Plant and Equipment - Proprietary Fund**

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost for assets not purchased in recent years), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed fixed assets are recorded at fair market value at the date received.

Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Estimated Lives (in years)
Machinery, Equipment, Furniture and Fixtures	5-20

**I. Long-Term Obligations**

Long-term liabilities are being repaid from the following funds:

Obligation	Fund
General Obligation Bonds	General Obligation Bond Retirement Fund
Compensated Absences	General Fund, Food Services Fund

**J. Compensated Absences**

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," vacation benefits are accrued as a liability when an employee's right to receive compensation is attributable to services already rendered, and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Administrators and classified staff who work twelve month contracts are granted vacation leave based on length of service and position. Sick leave benefits are accrued as a liability using the termination method. Certified employees may earn 15 days of sick leave per year up to a maximum of 272 days. Upon retirement, employees will receive one-fourth of the accumulated sick leave up to a maximum of 68 days. Classified employees may earn 15 days of sick leave per year up to a maximum of 248 days. Upon retirement, employees will receive one-fourth of the accumulated sick leave up to a maximum of 62 days. For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." The long-term portion of the liability is reported in the General Long-Term Obligations Account Group. Compensated absences are expensed in the proprietary funds when earned and the related liability is reported within the fund.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Pensions**

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred.

**L. Interfund Transactions**

During the course of normal operations, the District has numerous transactions between funds. Interfund transactions are generally classified as follows:

- Operating transfers are reported as "Other Financing Sources and Uses" in the governmental funds, as "Operating Transfers In" by the recipient fund, and "Operating Transfers Out" by the disbursing fund.
- Short-term interfund loans are reflected as interfund loans payable/receivable, while long-term interfund loans (greater than one year in length) are recorded as advances to/from other funds.
- Residual Equity Transfers are nonroutine or nonrecurring transfers between funds and are reported as additions to or deductions from the fund equity balance. There were no residual equity transfers during the fiscal year.

Transactions that would be treated as revenues and expenditures/expenses if they involved organizations external to the District are similarly treated when involving other funds of the District.

**M. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve, a reserve for textbook purchases and a reserve for capital maintenance. These reserves are required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. Fund balance reserves have also been established for these amounts.

**N. Reservations of Fund Balance**

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for debt service, prepaid items, endowments, property taxes, budget stabilization, textbook purchase, capital maintenance and encumbered amounts which have not been accrued at year end. 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, textbook purchase and capital maintenance are required by State statute.

**O. Total Columns on Combined Financial Statements - Overview**

Total columns on the "Combined Financial Statements-Overview" are captioned "Memorandum Only" to indicate they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**NOTE 2 - COMPLIANCE AND ACCOUNTABILITY**

**A. Fund Deficits**

The fund deficits at June 30, 1999 of \$3,459 in the Public Preschool Fund and \$119 in the Special Education Preschool Fund (special revenue funds) arise from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. A deficit does not exist on a cash basis. The fund deficit at June 30, 1999 of \$42,868 in the Food Service Fund (enterprise fund) arises from the recognition of expenses on the accrual basis which are greater than expenses recognized on the cash basis. A deficit does not exist under the cash basis of accounting.

**NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments. In addition, investments are separately held by a number of individual funds.

Statutes require the classification of funds held by the District into three categories. Category 1 consists of "active" funds - those funds required to be kept in a "cash" or "near cash" status for immediate use by the District. Such funds must be maintained either as cash in the District Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds - those funds not required for use within the current two year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of "interim" funds - those funds which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- 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 or interest by the United States;
- 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;
- 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;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).



**NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the District places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 110% of the carrying value of all public collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements," collateral held in single financial institution collateral pools with securities being held by the pledging financial institutions' agent in the pool's name are classified as Category 3. The Governmental Accounting Standards Board has established risk categories for deposits and investments as follows:

*Deposits:*

- Category 1 Insured or collateralized with securities held by the District or by its agent in the District's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent, in the District's name.
- Category 3 Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

*Investments:*

- Category 1 Insured or registered, or securities held by the District or its agent in the District's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the District's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the District's name.

**A. Deposits**

At year end the carrying amount of the District's deposits was \$138,459 and the bank balance was \$153,034 Federal depository insurance covered the entire bank balance.

**B. Investments**

The District's investments at June 30, 1999 were as follows:

	<u>Category 2</u>	<u>Fair Value</u>
<b>Noncategorized Investments</b>		
STAR Ohio	\$7,460,439	\$7,460,439

**NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**C. Reconciliation of Cash, Cash Equivalents and Investments**

The classification of cash, cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. STAR Ohio is treated as a cash equivalent. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

	Cash and Cash Equivalents	Investments
Per Combined Balance Sheet	\$7,598,898	\$0
Investments:		
STAR Ohio	(7,460,439)	7,460,439
Per GASB Statement No. 3	<u>\$138,459</u>	<u>\$7,460,439</u>

**NOTE 4 - PROPERTY TAXES**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the District. Real property taxes (other than public utility) collected during 1999 were levied after October 1, 1998 on assessed values as of January 1, 1998, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made the third year following reappraisal. The last revaluation was completed in 1993, and equalization adjustments were made in 1996. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer, and at the tax rates determined in the preceding 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. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually, the first payment is due April 30; with the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including Windham Exempted Village School District. The County Auditor periodically remits to the District its portion of the taxes collected.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, JUNE 30, 1999**

**NOTE 4 - PROPERTY TAXES (Continued)**

The assessed values for collection in 1999, upon which the 1998 levies were based, were as follows:

	1998 Second Half Collections	1999 First Half Collections
Agricultural/Residential and Other Real Estate	\$29,545,394	\$29,938,116
Public Utility Personal	3,188,860	3,820,460
Tangible Personal Property	3,518,096	3,284,780
Total Assessed Value	<u>\$36,252,350</u>	<u>\$37,043,356</u>
Taxrate per \$1,000 of assessed valuation	\$52.73	\$53.00

**NOTE 5 - RECEIVABLES**

Receivables at June 30, 1999 consisted of taxes, accounts receivable and intergovernmental receivables.

**NOTE 6 - OPERATING TRANSFERS**

Following is a summary of operating transfers in and out for all funds at June 30, 1999:

Fund	Transfer In	Transfer Out
General Fund	\$422,333	\$0
Special Revenue Fund:		
Emergency Fund	0	422,333
Total All Funds	<u>\$422,333</u>	<u>\$422,333</u>

**NOTE 7 - INTERFUND RECEIVABLES/PAYABLES**

Following is a summary of interfund receivables/payables for all funds at June 30, 1999:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$17,678	\$25
Special Revenue Fund:		
Special Need Preschool Fund	25	0
Enterprise Fund:		
Food Service	0	17,678
Total All Funds	<u>\$17,703</u>	<u>\$17,703</u>

**NOTE 8 - FIXED ASSETS**

**A. General Fixed Assets**

Summary by category of changes in general fixed assets at June 30, 1999:

Class	June 30, 1998	Additions	Deletions	June 30, 1999
Land and Improvements	\$441,661	\$0	\$0	\$441,661
Buildings and Improvements	4,211,884	0	0	4,211,884
Machinery and Equipment	1,172,935	191,152	(1,620)	1,362,467
Vehicles	465,813	0	(32,349)	433,464
Books	680,582	0	0	680,582
Construction in Progress	0	1,477,188	0	1,477,188
Totals	\$6,972,875	\$1,668,340	(\$33,969)	\$8,607,246

**B. Proprietary Fixed Assets**

Summary by Category at June 30, 1999:

Category	Historical Cost	Accumulated Depreciation	Book Value
Machinery and Equipment	\$119,404	(\$106,292)	\$13,112
Total Property, Plant and Equipment	\$119,404	(\$106,292)	\$13,112

**NOTE 9 - DEFINED BENEFIT PENSION PLANS**

All of the District's full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

**A. School Employees Retirement System of Ohio (SERS of Ohio)**

All non-certified employees of the District, with minor exceptions, performing duties that do not require a certificate issued by the Ohio Department of Education are eligible to participate in the School Employees Retirement System of Ohio, a cost-sharing multiple employer public employee retirement system.

The SERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and survivor 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 SERS of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the SERS of Ohio. Interested parties may obtain a copy by making a written request to SERS, 45 North Fourth Street, Columbus, Ohio 43215-3634 or by calling (614) 222-5853.

**NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)**

**A. School Employees Retirement System of Ohio (SERS of Ohio) (Continued)**

The Ohio Revised Code provides statutory authority for District and employee contributions of 14% and 9% respectively. The contribution rates are determined actuarially, and are established and may be amended, up to statutory amounts, by the School Employees Retirement Board (Retirement Board) within the rates allowed by State statute. The required employer contribution rate is allocated to basic retirement benefits and health care by the Retirement Board. At June 30, 1998, (the latest information available) 9.02% was allocated to fund the pension benefit obligation and 4.98% to fund health care. The District's contributions to the SERS of Ohio for the years ending June 30, 1999, 1998, and 1997 were \$143,664, \$132,336, and \$123,240, respectively, which were equal to the required contributions for each year.

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 ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989 with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium. The portion of the 1998 employer contribution rate (identified above) that was used to fund health care for the year 1998 was 4.98%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between minimum pay and the member's pay, prorated for partial service credit. For fiscal year 1999, the minimum pay has been established as \$12,400 and the surcharge amounted to \$24,330.

Health care benefits are financed on a pay-as-you-go basis. The number of retirees and covered dependents currently receiving benefits is approximately 50,000. 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. Net assets available for payment of benefits at June 30, 1998 was \$160.3 million, at cost.

**B. State Teachers Retirement System of Ohio (STRS of Ohio)**

All certified employees of the District are eligible to participate in the State Teachers Retirement System of Ohio, a cost-sharing multiple employer public employee retirement system.

The STRS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and survivor benefits based on eligible service credit to plan members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. The STRS of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the STRS of Ohio. Interested parties may obtain a copy by making a written request to STRS, 275 East Broad Street, Columbus, Ohio 43215-3771 or by calling (614) 227-4090.

The Ohio Revised Code provides statutory authority for District and employee contributions of 14% and 9.3%, respectively. The contribution requirements of plan members and the District are established and may be amended by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's contributions to the STRS of Ohio for the years ending June 30, 1999, 1998, and 1997 were \$528,384, \$497,604, and \$460,788, respectively, which were equal to the required contributions for each year.

**NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)**

**B. State Teachers Retirement System of Ohio (STRS of Ohio) (Continued)**

STRS provides postemployment 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 cost will be absorbed by STRS. All benefit recipients are required to pay a portion of the health care cost in the form of a monthly premium.

Benefits are funded on a pay-as-you-go basis through an allocation of employer contributions, equal to 3.5% of covered payroll, to a health care reserve fund. The balance of the Health Care Reserve Fund was \$2,156 million at June 30, 1998. The Health Care Reserve Fund allocation for the year ended June 30, 1999 will be 8% of covered payroll. For the fiscal year ended June 30, 1998, the net health care costs paid by STRS were \$219,224,000. There were 91,999 eligible benefit recipients.

**NOTE 10 - COMPENSATED ABSENCES**

The District provides a liability for accumulated unpaid sick leave and vacation time benefits when earned by employees. Accrued employee benefits for governmental funds not currently due and payable at year end are recorded in the General Long-Term Obligations Account Group. At June 30, 1999, the total accumulated unpaid sick and vacation time recorded in the General Long-Term Obligations Account Group was:

	<u>Sick Leave</u>	<u>Vacation</u>	<u>Total</u>
Liability	\$810,033	\$8,253	\$818,286

The portion attributable to the enterprise funds has been recorded within the respective fund and is not included in the figures presented above.

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**NOTE 11 - LONG-TERM DEBT AND OTHER OBLIGATIONS**

Detail of the changes in the bonds, intergovernmental payable, and compensated absences of the District for the year ended June 30, 1999 is as follows:

		Balance June 30, 1998	Issued (Retired)	Balance June 30, 1999
<b>General Long-Term Debt:</b>				
(General Obligation Bonds)				
Energy Conservation Project	5.500%	\$595,558	(\$70,170)	\$525,388
Classroom Facilities Bonds	5.350%	972,000	(40,404)	931,596
Total General Long-Term Debt		1,567,558	(110,574)	1,456,984
<b>Other General Long-Term Obligations:</b>				
Capital Leases		55,425	(12,681)	42,744
Intergovernmental Payable		54,279	4,475	58,754
Compensated Absences		637,261	181,025	818,286
Total Other General Long-Term Obligations		746,965	172,819	919,784
Total General Long-Term Debt and Other General Long-Term Obligations		\$2,314,523	\$62,245	\$2,376,768

**A. Principal and Interest Requirements**

A summary of the District's future long-term debt funding requirements, including principal and interest payments as of June 30, 1999, follows:

Years	General Obligation Bonds		
	Principal	Interest	Total
2000	\$97,238	\$78,115	\$175,353
2001	102,552	72,769	175,321
2002	108,155	67,130	175,285
2003	114,065	61,184	175,249
2004	120,298	54,912	175,210
2005-2009	279,814	202,516	482,330
2010-2014	217,480	141,950	359,430
2015-2019	282,224	75,474	357,698
2020-2023	135,158	7,325	142,483
Totals	\$1,456,984	\$761,375	\$2,218,359

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, JUNE 30, 1999**

**NOTE 12 - CAPITALIZED LEASES**

The District leases 5 copiers under capital leases. The cost of the equipment obtained under capital leases is included in the General Fixed Assets Account Group and the related liability included in the General Long-Term Obligations Account Group.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 1999:

<u>Fiscal Year Ending June 30,</u>	<u>Capital Lease</u>
2000	\$18,020
2001	18,020
2002	13,515
Minimum Lease Payments	49,555
Less amount representing interest at the District's incremental borrowing rate of interest	<u>(6,811)</u>
Present value of minimum lease payments	<u>\$42,744</u>

**NOTE 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:

	Textbook Reserve	Capital Acquisition Reserve	Budget Stabilization Reserve	Total
Set-aside Cash Balance as of June 30, 1998	\$0	\$0	\$76,153	\$76,153
Current Year Set-Aside Requirement	78,883	78,883	0	157,766
Current Year Offset Credits	0	0	0	0
Qualifying Disbursements	(126,941)	(76,188)	0	(203,129)
Total	<u>(48,058)</u>	<u>\$2,695</u>	<u>\$76,153</u>	<u>\$30,790</u>
Cash Balance Carried Forward to FY 2000	<u>\$0</u>	<u>\$2,695</u>	<u>\$76,153</u>	<u>\$78,848</u>
Amount Restricted for Capital Acquisition				\$2,695
Amount Restricted for Budget Stabilization				76,153
Total Restricted Assets				<u>\$78,848</u>

Although the District had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero, these extra amounts may not be used to reduce the set-aside requirements of future years. Negative amounts are therefore not presented as being carried forward to the next fiscal year.



**NOTE 14 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The District maintains two Enterprise Funds to account for the operation of Food Services and Uniform School Supply Sales. The key financial information for the year ended June 30, 1999 for these enterprise activities is as follows:

	Food Services	Uniform School Supply	Total
Operating Revenues	\$103,019	\$13,011	\$116,030
Depreciation Expense	30	0	30
Operating Loss	(209,433)	(6,707)	(216,140)
Net Loss	(44,896)	(2,669)	(47,565)
Federal donated commodities	13,280	0	13,280
Operating Grants	147,197	4,038	151,235
Total Assets	45,394	3,511	48,905
Net Working Capital	(42,288)	3,511	(38,777)
Total Equity	(42,868)	3,511	(39,357)

**NOTE 15 - RISK MANAGEMENT**

**A. Public Entity Risk Pool**

*Portage County School Consortium* - Windham Exempted Village School District participates in the Portage County School Consortium which is a cooperative entity to facilitate effective risk management and to share the cost of providing various insurance coverage and employee benefits. The Portage County School Consortium was established in 1981 so that 13 educational-service providers in Portage County could manage risk exposures and purchase necessary insurance coverage as a group. The Health and Welfare Trust is organized under the provisions of Section 501(c)(9) of the Internal Revenue Code. Its purpose is to facilitate the management of risks associated with providing employee benefits coverage such as health insurance, disability insurance and life insurance. A third party administrator is retained by the consortium to facilitate the operation of the Health and Welfare Trust. The District pays all insurance premiums directly to the consortium. Also, the insurance agreement with the Portage County School Consortium provides that the Consortium will reinsure through commercial companies for claims over \$100,000 per employee. Although the District does not participate in the day-to-day management of the Consortium, one of its administrators serves as a trustee of the Consortium's governing board as provided in the Consortium's enabling authority. Although the District recognizes that it retains a contingent liability to provide insurance coverage should the assets of the Consortium become depleted, it is the opinion of management that the assets of the Consortium are sufficient to meet its claims.

**NOTE 15 - RISK MANAGEMENT (Continued)**

**B. Other Insurance**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During fiscal year 1999 the District contracted with Nationwide Insurance Company for various insurance coverages, as follows:

Insurance Provider	Coverage	Deductible
Nationwide Insurance Company	Automobile	\$250 Comprehensive; \$250 Collision
Nationwide Insurance Company	General Liability	\$0
Nationwide Insurance Company	Property Insurance	\$1,000

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

Workers' compensation claims are covered through the District's participation in the State of Ohio's program. The District pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on accident history and administrative costs.

**NOTE 16 - CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

The District is not a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects as of June 30, 1999.

**C. State School Funding**

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 District. During the fiscal year ended June 30, 1999, the District received \$4,571,700 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

**NOTE 16 - CONTINGENCIES (Continued)**

**C. State School Funding (Continued)**

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 District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations.

**NOTE 17 - CONSTRUCTION COMMITMENTS**

As of June 30, 1999, the District had the following contract with respect to capital projects:

<u>Capital Projects</u>	<u>Remaining Construction Contract</u>	<u>Expected Date of Completion</u>
New Elementary School	\$4,350,287	12/31/99

**NOTE 18 - 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 government's operations as early as fiscal year 1999.

Windham Exempted Village School District is in the process of completing an inventory of computer systems and other equipment necessary to conducting District operations. Systems identified are financial reporting, payroll and employees benefits, and educational statistics reporting (through the State's Education Management and Information System (EMIS)). The District has one building with a power system which has extensive efficiency utilization measures within the system.

Portage County collects property taxes for distribution to the Windham Exempted Village School District. Portage County is responsible for remediating the tax collection system.

The District uses the State of Ohio Uniform School Accounting System software for its financial reporting, and the State of Ohio Uniform Staff 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 nonfinancial information about the District through EMIS. The State is responsible for remediating these systems.

The School District currently is assessing the changes needed in the power system. The system may have to be remediated, tested and validated.

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

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	Balance June 30, 1998	Additions	Deductions	Balance June 30, 1999
<b><u>Student Managed Activity Fund</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$9,415	\$22,054	(\$19,779)	\$11,690
Total Assets	<u>\$9,415</u>	<u>\$22,054</u>	<u>(\$19,779)</u>	<u>\$11,690</u>
<b>Liabilities:</b>				
Accounts Payable	\$0	\$39	\$0	\$39
Due to Students	9,415	22,015	(19,779)	11,651
Total Liabilities	<u>\$9,415</u>	<u>\$22,054</u>	<u>(\$19,779)</u>	<u>\$11,690</u>

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**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY**

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

<u>FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>PASS THROUGH ENTITY NUMBER</u>	<u>FEDERAL CFDA NUMBER</u>	<u>RECEIPTS</u>	<u>NON-CASH RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>NON-CASH DISBURSEMENTS</u>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
Pass through Ohio Department of Education:						
Nutrition Cluster:						
National School Breakfast	N/A	10.553	\$ 24,583	\$ -	\$ 24,583	\$ -
National School Lunch	N/A	10.555	<del>108,538</del>	-	<del>108,538</del>	-
Total Nutrition Cluster			133,121	-	133,121	-
Food Distribution Program	N/A	10.550	-	13,241	-	13,241
			-	13,241	-	13,241
Total U.S. Department of Agriculture			133,121	13,241	133,121	13,241
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
Passed Through Ohio Department of Education:						
Special Education Cluster:						
Title VI-B Special Education Assist.	045666BFS98	84.027	86,860	-	77,451	-
	045666BFS97		-	-	4,670	-
	045666P6ST99	84.173	7,605	-	7,605	-
Title VI-B Preschool	045666PGS198		-	-	<del>17,662</del>	-
Total Special Education Cluster			94,465	-	107,388	-
Title I Educationally Deprived Children	045666C1S199	84.010	199,343	-	132,515	-
	045666C1S198		<del>35,566</del>	-	<del>61,631</del>	-
			234,909	-	194,146	-
Drug Free Schools	045666DRS199	84.186	5,760	-	5,738	-
	045666DRS198		-	-	<del>2,982</del>	-
			5,760	-	8,720	-
Innovative Education Program	045666C2S199	84.298	4,430	-	366	-
	045666C2S198		-	-	3,686	-
	045666C2S197		-	-	<del>102</del>	-
			4,430	-	4,154	-
Technology Literacy Challenge	1999	84.318	100,000	-	250,000	-
	1998		<del>62,500</del>	-	<del>20,927</del>	-
			162,500	-	270,927	-
Goals 2000	045666G2S199	84.276	<del>40,500</del>	-	<del>9,084</del>	-
			40,500	-	9,084	-

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY**

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

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	PASS THROUGH ENTITY NUMBER	FEDERAL CFDA NUMBER	NON-CASH RECEIPTS	NON-CASH RECEIPTS	DISBURSEMENTS	NON-CASH DISBURSEMENTS
<b><u>U.S. DEPARTMENT OF EDUCATION: (Continued)</u></b>						
Direct From Federal Government:						
Telecommunication Act Grant	N/A	84.XXX	4,599	-	4,552	-
Total U.S. Department of Education			<u>547,163</u>	-	<u>598,978</u>	-
<b>Total Federal Assistance</b>			<b><u>\$ 680,284</u></b>	<b><u>\$ 13,241</u></b>	<b><u>\$ 732,092</u></b>	<b><u>\$ 13,241</u></b>

See note to Schedule of Federal Awards Expenditures.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES**

**NOTE A – Significant Account Policies**

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

**NOTE B – Food Distribution**

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. Monies are commingled with the state grants. It is assumed that federal monies are expended first. At June 30, 1999, the District had no significant food commodities in inventory.



**WOLFE, WILSON, & PHILLIPS, INC.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Windham Exempted Village School District  
9530 Bauer Avenue  
Windham, Ohio

We have audited the general-purpose financial statements of Windham Exempted Village School District as of and for the year ended June 30, 1999, and have issued our report thereon dated December 8, 1999. 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 Windham Exempted Village School District's general-purpose 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 have noted certain immaterial instances of noncompliance that we have reported to management of Windham Exempted Village School District in a separate letter dated December 8, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Windham 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 general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over 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 certain matters involving internal control that we have reported to management in a separate letter dated December 8, 1999.

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Brad Wolfe, J.D., M.B.A., CPA  
Joseph W. Wilson, M.B.A., CPA, CMA  
Kenneth B. Phillips, CPA

Windham Exempted Village School District  
Report on Compliance and on Internal Control Over Financial Reporting  
Page two

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

*Wolfe, Wilson, & Phillips, Inc.*

Zanesville, Ohio  
December 8, 1999

**WOLFE, WILSON, & PHILLIPS, INC.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
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**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL  
CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH *OMB CIRCULAR A-133***

Windham Exempted Village School District  
9530 Bauer Avenue  
Windham, Ohio

Compliance

We have audited the compliance of Windham 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. Windham Exempted Village School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Windham Exempted Village School District management. Our responsibility is to express an opinion on Windham Exempted Village School District 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 with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Windham Exempted Village School District 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 Windham Exempted Village School District compliance with those requirements.

In our opinion, the Windham 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 Windham 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 Windham Exempted Village School Districts' 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 internal control over compliance and its operation that we consider to be material weaknesses.

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

*Wolfe, Weber, & Phillips, Inc*  
Zanesville, Ohio  
December 8, 1999

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

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY  
JUNE 30, 1999**

**1. AUDITOR'S RESULTS**

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

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

NONE

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

NONE



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY

CLERK'S CERTIFICATION

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

By: \_\_\_\_\_

*Susan Babbitt*

Clerk of the Bureau

Date: \_\_\_\_\_

**JAN 20 2000**