



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Buckeye Valley Local School District
Delaware County
679 Coover Road
Delaware, Ohio 43015

To the Board of Education:

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

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Buckeye Valley Local School District, Delaware County, Ohio, as of June 30, 2000, 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 31, 2001, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of that audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the District, taken as a whole. The accompanying schedule of federal awards receipts and 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 general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

JIM PETRO
Auditor of State

January 31, 2001

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**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>Assets and Other Debits:</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,026,236	\$248,564	\$209,946	\$412,659
Receivables:				
Property Taxes	5,313,392	0	1,014,872	379,411
Income Taxes	995,839	0	0	0
Accounts	33,766	233	0	0
Intergovernmental	19,811	0	0	0
Interfund	2,835	0	0	0
Prepaid Items	10,518	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	16,019	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	420,823	0	0	0
Fixed Assets (net, where applicable, of accumulated depreciation)	0	0	0	0
<u>Other Debits:</u>				
Amount Available in Debt Service				
Fund for Retirement of General Obligation Debt	0	0	0	0
Amount to be Provided from				
General Governmental Resources	0	0	0	0
Total Assets and Other Debits	<u>\$7,839,239</u>	<u>\$248,797</u>	<u>\$1,224,818</u>	<u>\$792,070</u>

See Accompanying Notes to the General Purpose Financial Statements

<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Types</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
		<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
<u>Enterprise</u>	<u>Trust and Agency</u>			
\$101,483	\$102,322	\$0	\$0	\$2,101,210
0	0	0	0	6,707,675
0	0	0	0	995,839
26,067	0	0	0	60,066
18,982	0	0	0	38,793
0	0	0	0	2,835
468	0	0	0	10,986
10,602	0	0	0	10,602
241	0	0	0	16,260
0	0	0	0	420,823
279,021	0	24,838,449	0	25,117,470
0	0	0	334,884	334,884
0	0	0	14,016,422	14,016,422
<u>\$436,864</u>	<u>\$102,322</u>	<u>\$24,838,449</u>	<u>\$14,351,306</u>	<u>\$49,833,865</u>

(continued)

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>Liabilities, Fund Equity, and Other Credits:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$116,466	\$27,892	\$0	\$80,462
Contracts Payable	100	0	0	15,857
Accrued Wages and Benefits	1,055,028	6,670	0	0
Compensated Absences Payable	9,326	0	0	0
Intergovernmental Payable	253,502	18,500	0	0
Interfund Payable	0	2,835	0	0
Deferred Revenue	4,660,472	0	889,934	332,676
Undistributed Assets	0	0	0	0
Due to Students	0	0	0	0
Capital Leases Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	<u>6,094,894</u>	<u>55,897</u>	<u>889,934</u>	<u>428,995</u>
<u>Fund Equity and Other Credits:</u>				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Contributed Capital	0	0	0	0
Fund Balance:				
Reserved for Property Taxes	571,255	0	113,646	42,511
Reserved for Inventory	16,019	0	0	0
Reserved for Textbooks	211,080	0	0	0
Reserved for Budget Stabilization	68,829	0	0	0
Reserved for Bus Purchase	37,226	0	0	0
Reserved for Contributions	0	0	0	0
Reserved for Encumbrances	128,287	40,283	0	181,144
Unreserved	711,649	152,617	221,238	139,420
Total Fund Equity and Other Credits	<u>1,744,345</u>	<u>192,900</u>	<u>334,884</u>	<u>363,075</u>
Total Liabilities, Fund Equity, and Other Credits	<u>\$7,839,239</u>	<u>\$248,797</u>	<u>\$1,224,818</u>	<u>\$792,070</u>

See Accompanying Notes to the General Purpose Financial Statements

<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Types</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
		<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
<u>Enterprise</u>	<u>Trust and Agency</u>			
\$3,330	\$0	\$0	\$0	\$228,150
0	0	0	0	15,957
39,712	0	0	0	1,101,410
14,184	0	0	1,203,116	1,226,626
22,985	0	0	104,723	399,710
0	0	0	0	2,835
9,115	0	0	0	5,892,197
0	10,813	0	0	10,813
0	42,220	0	0	42,220
0	0	0	138,467	138,467
0	0	0	12,905,000	12,905,000
<u>89,326</u>	<u>53,033</u>	<u>0</u>	<u>14,351,306</u>	<u>21,963,385</u>
0	0	24,838,449	0	24,838,449
158,644	0	0	0	158,644
188,894	0	0	0	188,894
0	0	0	0	727,412
0	0	0	0	16,019
0	0	0	0	211,080
0	0	0	0	68,829
0	0	0	0	37,226
0	25,000	0	0	25,000
0	0	0	0	349,714
0	24,289	0	0	1,249,213
<u>347,538</u>	<u>49,289</u>	<u>24,838,449</u>	<u>0</u>	<u>27,870,480</u>
<u>\$436,864</u>	<u>\$102,322</u>	<u>\$24,838,449</u>	<u>\$14,351,306</u>	<u>\$49,833,865</u>

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
JUNE 30, 2000**

	Governmental Fund Types			Fiduciary	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects		Expendable Trust
Revenues:						
Property Taxes	\$4,107,044	\$0	\$825,403	\$291,256	\$0	\$5,223,703
Income Taxes	2,565,024	0	0	0	0	2,565,024
Intergovernmental	5,682,391	457,269	119,418	112,234	0	6,371,312
Interest	154,121	0	26,310	16,509	1,050	197,990
Tuition and Fees	24,148	147,251	0	0	0	171,399
Extracurricular Activities	84,392	83,703	0	1,151	0	169,246
Gifts and Donations	1,427	1,251	0	5,750	0	8,428
Miscellaneous	54,833	43,401	0	3,000	0	101,234
Total Revenues	<u>12,673,380</u>	<u>732,875</u>	<u>971,131</u>	<u>429,900</u>	<u>1,050</u>	<u>14,808,336</u>
Expenditures:						
Current:						
Instruction:						
Regular	5,733,140	136,885	0	123,348	0	5,993,373
Special	909,021	222,985	0	0	0	1,132,006
Vocational	280,407	8,788	0	0	0	289,195
Other	7,730	0	0	0	0	7,730
Support Services:						
Pupils	639,908	61,289	0	1,383	0	702,580
Instructional Staff	278,499	70,239	0	9,118	0	357,856
Board of Education	152,835	0	0	0	0	152,835
Administration	1,201,413	56,784	0	0	0	1,258,197
Fiscal	309,373	0	18,758	6,659	0	334,790
Operation and Maintenance of Plant	1,227,093	462	0	32,086	0	1,259,641
Pupil Transportation	762,229	13,700	0	0	0	775,929
Non-Instructional Services	1,341	10,540	0	0	2,900	14,781
Extracurricular Activities	204,039	75,787	0	0	0	279,826
Capital Outlay	10,629	0	0	150,514	0	161,143
Debt Service:						
Principal Retirement	29,678	0	325,000	0	0	354,678
Interest and Fiscal Charges	39,217	0	769,685	0	0	808,902
Total Expenditures	<u>11,786,552</u>	<u>657,459</u>	<u>1,113,443</u>	<u>323,108</u>	<u>2,900</u>	<u>13,883,462</u>
Excess of Revenues Over (Under) Expenditures	<u>886,828</u>	<u>75,416</u>	<u>(142,312)</u>	<u>106,792</u>	<u>(1,850)</u>	<u>924,874</u>
Other Financing Sources (Uses):						
Inception of Capital Lease	10,629	0	0	0	0	10,629
Operating Transfers In	0	24,391	0	15,000	0	39,391
Operating Transfers Out	(46,722)	(231)	0	(15,000)	0	(61,953)
Total Other Financing Sources (Uses)	<u>(36,093)</u>	<u>24,160</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(11,933)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>850,735</u>	<u>99,576</u>	<u>(142,312)</u>	<u>106,792</u>	<u>(1,850)</u>	<u>912,941</u>
Fund Balances at Beginning of Year	895,274	93,324	477,196	256,283	21,215	1,743,292
Decrease in Reserve for Inventory	(1,664)	0	0	0	0	(1,664)
Fund Balances at End of Year	<u>\$1,744,345</u>	<u>\$192,900</u>	<u>\$334,884</u>	<u>\$363,075</u>	<u>\$19,365</u>	<u>\$2,654,569</u>

See Accompanying Notes to the General Purpose Financial Statements

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
JUNE 30, 2000**

	<u>General Fund</u>			<u>Special Revenue Funds</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>						
Property Taxes	\$4,605,039	\$4,605,039	\$0	\$0	\$0	\$0
Income Taxes	2,489,738	2,489,738	0	0	0	0
Intergovernmental	5,671,780	5,671,780	0	485,281	492,037	6,756
Interest	147,780	147,780	0	0	0	0
Tuition and Fees	24,148	24,148	0	129,088	147,251	18,163
Extracurricular Activities	84,307	84,392	85	74,736	82,926	8,190
Gifts and Donations	1,427	1,427	0	1,256	1,251	(5)
Miscellaneous	3,739	4,312	573	45,180	44,938	(242)
Total Revenues	<u>13,027,958</u>	<u>13,028,616</u>	<u>658</u>	<u>735,541</u>	<u>768,403</u>	<u>32,862</u>
<u>Expenditures:</u>						
Current:						
Instruction:						
Regular	6,175,341	5,790,460	384,881	242,924	150,215	92,709
Special	1,078,867	822,711	256,156	244,452	234,387	10,065
Vocational	283,122	283,807	(685)	93,978	28,730	65,248
Other	583	7,340	(6,757)	0	0	0
Support Services:						
Pupils	328,056	640,789	(312,733)	98,749	71,722	27,027
Instructional Staff	327,157	326,386	771	87,724	74,528	13,196
Board of Education	143,743	145,533	(1,790)	0	0	0
Administration	1,283,931	1,274,941	8,990	56,732	56,089	643
Fiscal	1,236,014	316,397	919,617	0	0	0
Operation and Maintenance of Plant	1,213,429	1,250,417	(36,988)	512	462	50
Pupil Transportation	1,016,671	881,234	135,437	10,233	17,112	(6,879)
Central	10,000	0	10,000	0	0	0
Non-Instructional Services	829	1,336	(507)	8,218	10,923	(2,705)
Extracurricular Activities	229,688	204,574	25,114	82,925	86,569	(3,644)
Capital Outlay	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	625,935	(625,935)	0	0	0
Interest and Fiscal Charges	0	19,694	(19,694)	0	0	0
Total Expenditures	<u>13,327,431</u>	<u>12,591,554</u>	<u>735,877</u>	<u>926,447</u>	<u>730,737</u>	<u>195,710</u>
Excess of Revenues Over (Under) Expenditures	<u>(299,473)</u>	<u>437,062</u>	<u>736,535</u>	<u>(190,906)</u>	<u>37,666</u>	<u>228,572</u>
<u>Other Financing Sources (Uses):</u>						
Refund of Prior Year Expenditures	9,486	9,731	245	9	1,000	991
Refund of Prior Year Receipts	(42)	(453)	(411)	(80)	(9,710)	(9,630)
Operating Transfers In	0	0	0	0	24,391	24,391
Operating Transfers Out	0	(46,722)	(46,722)	0	(231)	(231)
Total Other Financing Sources (Uses)	<u>9,444</u>	<u>(37,444)</u>	<u>(46,888)</u>	<u>(71)</u>	<u>15,450</u>	<u>15,521</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(290,029)</u>	<u>399,618</u>	<u>689,647</u>	<u>(190,977)</u>	<u>53,116</u>	<u>244,093</u>
Fund Balances at Beginning of Year	657,083	657,083	0	86,311	86,311	0
Prior Year Encumbrances Appropriated	<u>107,233</u>	<u>107,233</u>	<u>0</u>	<u>38,827</u>	<u>38,827</u>	<u>0</u>
Fund Balances (Deficit) at End of Year	<u>\$474,287</u>	<u>\$1,163,934</u>	<u>\$689,647</u>	<u>(\$65,839)</u>	<u>\$178,254</u>	<u>\$244,093</u>

(continued)

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**COMBINED STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
JUNE 30, 2000
(Continued)**

	Debt Service Fund			Capital Projects Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>						
Property Taxes	\$988,167	\$988,167	\$0	\$327,170	\$327,170	\$0
Income Taxes	0	0	0	0	0	0
Intergovernmental	119,418	119,418	0	112,234	112,234	0
Interest	25,966	25,966	0	14,944	14,944	0
Tuition and Fees	0	0	0	0	0	0
Extracurricular Activities	0	0	0	1,001	1,151	150
Gifts and Donations	0	0	0	5,002	5,750	748
Miscellaneous	0	0	0	3,750	3,750	0
Total Revenues	1,133,551	1,133,551	0	464,101	464,999	898
<u>Expenditures:</u>						
Current:						
Instruction:						
Regular	0	0	0	432,784	309,121	123,663
Special	0	0	0	0	0	0
Vocational	0	0	0	0	0	0
Other	0	0	0	0	0	0
Support Services:						
Pupils	0	0	0	18,567	34,469	(15,902)
Instructional Staff	0	0	0	23,277	13,194	10,083
Board of Education	0	0	0	0	3,813	(3,813)
Administration	0	0	0	9,033	9,033	0
Fiscal	19,500	18,705	795	6,412	6,540	(128)
Operation and Maintenance of Plant	0	0	0	87,695	87,695	0
Pupil Transportation	0	0	0	0	0	0
Central	0	0	0	0	0	0
Non-Instructional Services	0	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0	0
Capital Outlay	0	0	0	0	15,000	(15,000)
Debt Service:						
Principal Retirement	325,000	325,000	0	0	0	0
Interest and Fiscal Charges	938,793	769,685	169,108	0	0	0
Total Expenditures	1,283,293	1,113,390	169,903	577,768	478,865	98,903
Excess of Revenues Over (Under) Expenditures	(149,742)	20,161	169,903	(113,667)	(13,866)	99,801
<u>Other Financing Sources (Uses):</u>						
Refund of Prior Year Expenditures	0	0	0	0	0	0
Refund of Prior Year Receipts	0	0	0	0	0	0
Operating Transfers In	0	0	0	0	15,000	15,000
Operating Transfers Out	0	0	0	0	(15,000)	(15,000)
Total Other Financing Sources (Uses)	0	0	0	0	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(149,742)	20,161	169,903	(113,667)	(13,866)	99,801
Fund Balances at Beginning of Year	188,609	188,609	0	122,978	122,978	0
Prior Year Encumbrances Appropriated	0	0	0	92,395	92,395	0
Fund Balances (Deficit) at End of Year	\$38,867	\$208,770	\$169,903	\$101,706	\$201,507	\$99,801

See Accompanying Notes to the General Purpose Financial Statements

Expendable Trust Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$5,920,376	\$5,920,376	\$0
0	0	0	2,489,738	2,489,738	0
0	0	0	6,388,713	6,395,469	6,756
1,142	1,142	0	189,832	189,832	0
0	0	0	153,236	171,399	18,163
0	0	0	160,044	168,469	8,425
0	0	0	7,685	8,428	743
0	0	0	52,669	53,000	331
1,142	1,142	0	15,362,293	15,396,711	34,418
0	0	0	6,851,049	6,249,796	601,253
0	0	0	1,323,319	1,057,098	266,221
0	0	0	377,100	312,537	64,563
0	0	0	583	7,340	(6,757)
0	0	0	445,372	746,980	(301,608)
0	0	0	438,158	414,108	24,050
0	0	0	143,743	149,346	(5,603)
0	0	0	1,349,696	1,340,063	9,633
0	0	0	1,261,926	341,642	920,284
0	0	0	1,301,636	1,338,574	(36,938)
0	0	0	1,026,904	898,346	128,558
0	0	0	10,000	0	10,000
2,900	2,900	0	11,947	15,159	(3,212)
0	0	0	312,613	291,143	21,470
0	0	0	0	15,000	(15,000)
0	0	0	325,000	950,935	(625,935)
0	0	0	938,793	789,379	149,414
2,900	2,900	0	16,117,839	14,917,446	1,200,393
(1,758)	(1,758)	0	(755,546)	479,265	1,234,811
0	0	0	9,495	10,731	1,236
0	0	0	(122)	(10,163)	(10,041)
0	0	0	0	39,391	39,391
0	0	0	0	(61,953)	(61,953)
0	0	0	9,373	(21,994)	(31,367)
(1,758)	(1,758)	0	(746,173)	457,271	1,203,444
21,022	21,022	0	1,076,003	1,076,003	0
0	0	0	238,455	238,455	0
\$19,264	\$19,264	\$0	\$568,285	\$1,771,729	\$1,203,444

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**COMBINED, STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY
PROPRIETARY FUND TYPE AND NON-EXPENDABLE TRUST FUND
JUNE 30, 2000**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals</u>
	<u>Enterprise</u>	<u>Non-Expendable Trust</u>	<u>(Memorandum Only)</u>
<u>Operating Revenues:</u>			
Sales	\$583,505	\$0	\$583,505
Interest	0	1,755	1,755
Total Operating Revenues	<u>583,505</u>	<u>1,755</u>	<u>585,260</u>
<u>Operating Expenses:</u>			
Salaries	191,177	0	191,177
Fringe Benefits	106,177	0	106,177
Purchased Services	25,772	0	25,772
Materials and Supplies	11,576	0	11,576
Cost of Sales	340,978	0	340,978
Depreciation	22,858	0	22,858
Other Expenses	1,627	500	2,127
Total Operating Expenses	<u>700,165</u>	<u>500</u>	<u>700,665</u>
Operating Income (Loss)	<u>(116,660)</u>	<u>1,255</u>	<u>(115,405)</u>
<u>Non-Operating Revenues:</u>			
Federal Donated Commodities	22,118	0	22,118
Operating Grants	73,051	0	73,051
Interest	4,467	0	4,467
Total Non-Operating Revenues	<u>99,636</u>	<u>0</u>	<u>99,636</u>
Income (Loss) before Operating Transfers	(17,024)	1,255	(15,769)
Operating Transfers In	<u>22,562</u>	<u>0</u>	<u>22,562</u>
Net Income	5,538	1,255	6,793
Retained Earnings/Fund Balance at Beginning of Year	<u>153,106</u>	<u>28,669</u>	<u>181,775</u>
Retained Earnings/Fund Balance at End of Year	158,644	29,924	188,568
Contributed Capital at Beginning and End of Year	<u>188,894</u>	<u>0</u>	<u>188,894</u>
Total Fund Equity at End of Year	<u>\$347,538</u>	<u>\$29,924</u>	<u>\$377,462</u>

See Accompanying Notes to the General Purpose Financial Statements

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**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
PROPRIETARY FUND TYPE AND NON-EXPENDABLE TRUST FUND
JUNE 30, 2000**

	<u>Enterprise Funds</u>		Variance Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	
Revenues:			
Sales	\$580,980	\$582,121	\$1,141
Interest	4,347	4,347	0
Operating Grants	65,677	65,677	0
Other Revenues	0	0	0
Total Revenues	<u>651,004</u>	<u>652,145</u>	<u>1,141</u>
Expenses:			
Salaries	181,101	180,964	137
Fringe Benefits	108,484	100,489	7,995
Purchased Services	28,943	27,940	1,003
Materials and Supplies	391,606	332,820	58,786
Capital Outlay	3,574	3,574	0
Other Expenses	250	1,608	(1,358)
Total Expenses	<u>713,958</u>	<u>647,395</u>	<u>66,563</u>
Excess of Revenues Over (Under) Expenses	(62,954)	4,750	67,704
Operating Transfers In	<u>0</u>	<u>22,562</u>	<u>22,562</u>
Excess of Revenues Over (Under) Expenses and Transfers	(62,954)	27,312	90,266
Fund Balances at Beginning of Year	61,081	61,081	0
Prior Year Encumbrances Appropriated	<u>7,378</u>	<u>7,378</u>	<u>0</u>
Fund Balances (Deficit) at End of Year	<u><u>\$5,505</u></u>	<u><u>\$95,771</u></u>	<u><u>\$90,266</u></u>

See Accompanying Notes to the General Purpose Financial Statements

<u>Non-Expendable Trust Fund</u>			<u>Totals (Memorandum Only)</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$0	\$0	\$0	\$580,980	\$582,121	\$1,141
1,600	1,600	0	5,947	5,947	0
0	0	0	65,677	65,677	0
500	500	0	500	500	0
<u>2,100</u>	<u>2,100</u>	<u>0</u>	<u>653,104</u>	<u>654,245</u>	<u>1,141</u>
0	0	0	181,101	180,964	137
0	0	0	108,484	100,489	7,995
0	0	0	28,943	27,940	1,003
0	0	0	391,606	332,820	58,786
0	0	0	3,574	3,574	0
52,327	500	51,827	52,577	2,108	50,469
<u>52,327</u>	<u>500</u>	<u>51,827</u>	<u>766,285</u>	<u>647,895</u>	<u>118,390</u>
(50,227)	1,600	51,827	(113,181)	6,350	119,531
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,562</u>	<u>22,562</u>
(50,227)	1,600	51,827	(113,181)	28,912	142,093
28,169	28,169	0	89,250	89,250	0
0	0	0	7,378	7,378	0
<u>(\$22,058)</u>	<u>\$29,769</u>	<u>\$51,827</u>	<u>(\$16,553)</u>	<u>\$125,540</u>	<u>\$142,093</u>

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE AND NON-EXPENDABLE TRUST FUND
JUNE 30, 2000**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals</u>
	<u>Enterprise</u>	<u>Non-Expendable Trust</u>	<u>(Memorandum Only)</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>			
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$582,121	\$0	\$582,121
Cash Received from Other Revenues	0	500	500
Cash Payments for Salaries	(180,964)	0	(180,964)
Cash Payments for Fringe Benefits	(100,489)	0	(100,489)
Cash Payments to Suppliers for Goods and Services	(355,888)	0	(355,888)
Cash Payments for Other Expenses	(1,627)	(500)	(2,127)
Net Cash Used for Operating Activities	<u>(56,847)</u>	<u>0</u>	<u>(56,847)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Cash Received from Operating Grants	65,677	0	65,677
Cash Received from Operating Transfers In	22,562	0	22,562
Net Cash Received from Noncapital Financing Activities	<u>88,239</u>	<u>0</u>	<u>88,239</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Cash Payments for Fixed Assets	<u>(3,175)</u>	<u>0</u>	<u>(3,175)</u>
<u>Cash Flows from Investing Activities:</u>			
Cash Received from Interest	<u>4,467</u>	<u>1,755</u>	<u>6,222</u>
Net Increase in Cash and Cash Equivalents	32,684	1,755	34,439
Cash and Cash Equivalents at Beginning of Year	68,799	28,169	96,968
Cash and Cash Equivalents at End of Year	<u>\$101,483</u>	<u>\$29,924</u>	<u>\$131,407</u>

(continued)

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE AND NON-EXPENDABLE TRUST FUND
JUNE 30, 2000
(Continued)**

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Non-Expendable Trust	(Memorandum Only)
<u>Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:</u>			
Operating Income (Loss)	(\$116,660)	\$1,255	(\$115,405)
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Used for Operating Activities:</u>			
Depreciation	22,858	0	22,858
Donated Commodities Used During Year	22,118	0	22,118
Interest Reported as Operating Income	0	(1,755)	(1,755)
<u>Changes in Assets and Liabilities:</u>			
Increase in Accounts Receivable	(1,384)	500	(884)
Increase in Prepaid Items	(1)	0	(1)
Increase in Inventory Held for Resale	(404)	0	(404)
Decrease in Materials and Supplies Inventory	160	0	160
Increase in Accounts Payable	630	0	630
Increase in Accrued Wages and Benefits	7,764	0	7,764
Increase in Compensated Absences Payable	6,183	0	6,183
Increase in Intergovernmental Payable	1,889	0	1,889
Net Cash Used for Operating Activities	(\$56,847)	\$0	(\$56,847)

Reconciliation of Non-Expendable Trust Fund Cash and Cash Equivalents to Balance Sheet:

All Fiduciary Fund Types	\$102,322
Less Agency Funds	(53,033)
Less Expendable Trust Funds	(19,365)
Cash and Cash Equivalents-Non-Expendable Trust Fund	\$29,924

See Accompanying Notes to the General Purpose Financial Statements

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**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Buckeye Valley Local School District (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by state and/or federal guidelines.

The School District was established in 1961. The School District serves an area of approximately one hundred ninety-six square miles. It is located in Delaware, Marion, Morrow, and Union Counties. The School District is the 254th largest in the State of Ohio (among 611 school districts) in terms of enrollment. It is staffed by eighty-nine classified employees, one hundred thirty certified teaching personnel, and eight administrative employees who provide services to 2,242 students and other community members. The School District currently operates three elementary schools, a junior high school, a high school, an administration building, and a bus garage.

Reporting Entity

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organizations' resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. There are no component units of the Buckeye Valley Local School District.

The School District is associated with two jointly governed organizations and two insurance pools. These organizations are the Tri-Rivers Educational Computer Association (TRECA); Delaware Joint Vocational School; Ohio School Boards Association Workers' Compensation Group Rating Plan; and the Champaign, Delaware, Marion, Union School Employee Welfare Benefit Association Trust. These organizations are presented in Notes 20 and 21 to the general purpose financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation - Fund Accounting

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

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

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

Governmental Fund Types

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

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

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

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

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

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation - Fund Accounting (Continued)

Proprietary Fund Type

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

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

Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The School District's fiduciary funds include expendable trust, non-expendable trust, and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. The non-expendable trust fund is accounted for in essentially the same manner as proprietary funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

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

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

General Long-Term Obligations Account Group - This account group is established to account for all long-term obligations of the School District, except those accounted for in proprietary funds or trust funds.

B. Measurement Focus and Basis of Accounting

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

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus and Basis of Accounting (Continued)

The proprietary fund type and non-expendable trust fund are accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Operating statements of these funds present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental fund types, expendable trust and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after fiscal year end.

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

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2000, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2001 operations, have been recorded as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund type and non-expendable trust fund. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each function and fund. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Tax Budget

Prior to January 15, the Superintendent and Treasurer submit, to the Board of Education, a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing or increased tax rates.

By no later than January 20, the Board-adopted budget is filed with the Delaware County Budget Commission for rate determination.

Estimated Resources

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates, as determined by the County Budget Commission, and receives the commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered cash balances from the preceding fiscal year. The certificate of estimated resources may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate of estimated resources issued during fiscal year 2000.

Appropriations

Upon receipt from the County Auditor of an amended certificate of estimated resources, based on final assessed values and tax rates, or a certificate saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission, and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control.

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgetary Process (Continued)

Appropriations (Continued)

Any revisions that alter the total of any fund appropriation, or alter total function appropriations within a fund, or alter object appropriations within functions must be approved by the Board of Education.

The Board may pass supplemental fund appropriations as long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, two supplemental appropriation resolutions were legally enacted.

The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions.

Encumbrances

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental fund types and expendable trust funds and reported in the notes to the financial statements for the proprietary fund type and non-expendable trust fund.

Lapsing of Appropriations

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

D. Cash and Investments

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

During fiscal year 2000, investments were limited to repurchase agreements and STAR Ohio. Repurchase agreements are reported at cost. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2000.

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Investments (Continued)

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2000 was \$154,121, which included \$20,634 assigned from other School District funds.

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 an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months and not purchased from the pool are reported as investments.

E. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2000, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is recorded in the year in which services are consumed.

F. Inventory

Inventory in governmental funds is stated at cost while inventory in proprietary funds is stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in the governmental funds consists of expendable supplies held for consumption. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased. Reported materials and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets. Inventory in the proprietary funds consists of donated food, purchased food, and school supplies held for resale and is expensed when used.

G. 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 State statute to be set aside for the purchase of textbooks and other instructional materials and to create a reserve for budget stabilization. Restricted assets also include unexpended revenues restricted for the purchase of school buses.

H. Fixed Assets and Depreciation

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

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets and Depreciation (Continued)

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

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the proprietary funds is computed using the straight-line method over an estimated useful life of eight to twenty years.

I. Interfund Assets/Liabilities

Short-term interfund loans are classified as "Interfund Receivables/Payables".

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

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

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account "Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as liabilities in the general long-term obligations account group to the extent that they will not be paid with current available expendable resources. Payments for these obligations made more than sixty days after fiscal year end are considered not to have used current available expendable resources. Capital leases and bonds are recognized as liabilities in the general long-term obligations account group until due.

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Accrued Liabilities and Long-Term Obligations (Continued)

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

L. Contributed Capital

Contributed capital represents resources from other funds, other governments, and private sources provided to proprietary funds that is not subject to repayment. These assets are recorded at their fair market value on the date donated. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at fiscal year end.

Because the School District did not prepare financial statements in accordance with generally accepted accounting principles prior to fiscal year 1997, the exact amount of contributed capital cannot be determined. Consequently, only those amounts that have been specifically identified have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to the proprietary funds have been classified as retained earnings.

M. Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for property taxes, inventories of materials and supplies, textbooks, budget stabilization, bus purchase, contributions, and encumbrances.

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 monies required to be set aside by State statute to protect against cyclical changes in revenues and expenditures. The reserve for contributions signifies legal restrictions on the use of principal in the non-expendable trust fund.

N. Intergovernmental Revenues

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

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Intergovernmental Revenues (Continued)

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

Entitlements

General Fund

- State Foundation Program
- State Property Tax Relief
- School Bus Purchase Allocation

Non-Reimbursable Grants

Special Revenue Funds

- Math and Science Pathways
- DKMM Mini-Grant
- Professional Development
- School Age Child Care
- Education Management Information System
- SchoolNet Professional Development
- Ohio Reads
- Safe School Helpline
- Eisenhower
- Title VI-B
- Title I
- Title VI
- Drug Free
- SACC Grant
- Early Childhood Preschool
- Reducing Class Size
- Continuous Improvement

Capital Projects Funds

- SchoolNet Plus
- Textbook/Instructional Materials

Reimbursable Grants

General Fund

- Driver Education

Special Revenue Fund

- Telecommunication

Proprietary Fund

- National School Lunch Program
- Government Donated Commodities

Grants and entitlements were 43 percent of the revenues of the School District's governmental fund types during the 2000 fiscal year.

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Interfund Transactions

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

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

P. 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.

Q. Total Columns on General Purpose Financial Statements

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

3. ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At June 30, 2000, the Title VI-B and SACC Grant special revenue funds had deficit fund balances of \$15,002 and \$9,400, respectively, which were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

3. ACCOUNTABILITY AND COMPLIANCE (Continued)

B. Compliance

The following funds had appropriations in excess of estimated resources plus available balances for the fiscal year ended June 30, 2000.

Fund Type/Fund	Estimated Resources Plus Available Balances	Appropriations	Excess
Special Revenue Funds			
School Farm	\$89,428	\$93,978	\$4,550
Early Childhood Care - SACC	14,818	14,941	123
Education Management Information System	6,431	6,440	9
Ohio Reads	58,980	107,959	48,979
Eisenhower	14,874	19,928	5,054
Title VI	20,702	30,220	9,518
Drug Free	2,895	9,651	6,756
SACC Grant	0	16,491	16,491
Non-Expendable Trust Fund			
Scholarship	30,269	52,327	22,058

The following accounts had expenditures/expenses in excess of appropriations for the fiscal year ended June 30, 2000.

Fund Type/Fund/ Function/Object	Appropriations	Expenditures/ Expenses	Excess
General Fund			
Regular/Salaries	\$4,362,892	\$4,440,083	\$77,191
Regular/Purchased Services	27,032	51,782	24,750
Regular/Capital Outlay - Replacement	0	1,659	1,659
Special/Materials and Supplies	2,900	4,509	1,609
Vocational/Salaries	208,996	212,055	3,059
Vocational/Fringe Benefits	64,789	65,088	299
Vocational/Capital Outlay - Replacement	0	1,140	1,140
Other/Purchased Services	583	7,340	6,757
Pupils/Other	0	338,964	338,964
Pupils/Capital Outlay - New	0	3,227	3,227
Pupils/Capital Outlay - Replacement	0	692	692
Instructional Staff/Salaries	141,957	147,474	5,517
Instructional Staff/Fringe Benefits	62,461	70,121	7,660
Board of Education/Fringe Benefits	756	2,835	2,079
Board of Education/Materials and Supplies	1,650	3,001	1,351
Board of Education/Other	53,226	63,525	10,299

(continued)

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

3. ACCOUNTABILITY AND COMPLIANCE (Continued)

Fund Type/Fund/ Function/Object	Appropriations	Expenditures/ Expenses	Excess
General Fund (continued)			
Administration/Salaries	748,283	759,755	11,472
Administration/Other	0	102	102
Administration/Capital Outlay - New	2,700	21,293	18,593
Administration/Capital Outlay - Replacement	344	2,072	1,728
Fiscal/Salaries	99,157	103,221	4,064
Fiscal/Fringe Benefits	44,957	45,958	1,001
Fiscal/Capital Outlay - New	0	2,410	2,410
Operation and Maintenance of Plant/Purchased Services	517,428	571,769	54,341
Operation and Maintenance of Plant/Materials and Supplies	94,237	101,830	7,593
Operation and Maintenance of Plant/Capital Outlay - New	0	12,713	12,713
Operation and Maintenance of Plant/Capital Outlay - Replacement	0	2,899	2,899
Pupil Transportation/Materials and Supplies	125,991	154,501	28,510
Pupil Transportation/Other	150	558	408
Pupil Transportation/Capital Outlay - Replacement	103,846	104,109	263
Non-Instructional Services/Salaries	600	939	339
Non-Instructional Services/Fringe Benefits	54	197	143
Non-Instructional Services/Other	0	200	200
Extracurricular Activities/Salaries	36,100	50,782	14,682
Extracurricular Activities/Fringe Benefits	6,437	7,669	1,232
Extracurricular Activities/Purchased Services	250	638	388
Extracurricular Activities/Other	464	681	217
Debt Service/Other	0	645,629	645,629
Operating Transfers Out	0	46,722	46,722
Refund of Prior Year Receipts	42	454	412
Special Revenue Funds			
Other Grants			
Operating Transfers Out	0	231	231
Early Childhood Care - SACC			
Regular/Salaries	68,618	78,535	9,917
Regular/Fringe Benefits	10,904	12,479	1,575
Regular/Material and Supplies	5,674	6,030	356
Special/Other	2,642	2,847	205

(continued)

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

3. ACCOUNTABILITY AND COMPLIANCE (Continued)

Fund Type/Fund/ Function/Object	Appropriations	Expenditures/ Expenses	Excess
Special Revenue Funds (continued)			
Early Childhood Care - SACC (continued)			
Administration/Salaries	21,122	25,434	4,312
Administration/Fringe Benefits	4,983	5,703	720
Non-Instructional Services/Materials and Supplies	8,218	10,923	2,705
Recycling			
Regular/Materials and Supplies	229	515	286
Athletic and Music			
Extracurricular Activities/Materials and Supplies	51,962	55,306	3,344
Extracurricular Activities/Other	8,983	11,871	2,888
Professional Development			
Regular/Materials and Supplies	0	155	155
Instructional Staff/Materials and Supplies	780	2,064	1,284
School Age Child Care			
Regular/Capital Outlay - New	7,036	7,294	258
Administration/Purchased Services	0	198	198
Pupil Transportation/Salaries	762	1,380	618
Eisenhower			
Regular/Purchased Services	3,225	3,375	150
Instructional Staff/Purchased Services	0	150	150
Refund of Prior Year Receipts	0	1,618	1,618
Title VI-B			
Special/Fringe Benefits	0	2,597	2,597
Special/Purchased Services	66,545	75,276	8,731
Special/Materials and Supplies	7,140	7,606	466
Special/Capital Outlay - Replacement	0	892	892
Instructional Staff/Fringe Benefits	11,000	15,748	4,748
Administration/Materials and Supplies	300	528	228
Pupil Transportation/Purchased Services	8,190	14,164	5,974
Refund of Prior Year Receipts	0	8,000	8,000
Title I			
Special/Fringe Benefits	20,776	21,145	369
Title VI			
Regular/Purchased Services	10,698	10,965	267

(continued)

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

3. ACCOUNTABILITY AND COMPLIANCE (Continued)

Fund Type/Fund/ Function/Object	Appropriations	Expenditures/ Expenses	Excess
Special Revenue Funds (continued)			
Drug Free			
Pupils/Salaries	7,851	8,636	785
SACC Grant			
Regular/Materials and Supplies	4,750	5,427	677
Special/Other	0	466	466
Pupils/Capital Outlay - New	1,850	3,705	1,855
Administration/Materials and Supplies	0	571	571
Pupil Transportation/Salaries	419	559	140
Continuous Improvement			
Administration/Materials and Supplies	77	362	285
Capital Projects Funds			
Permanent Improvement			
Regular/Materials and Supplies	2,133	20,588	18,455
Pupils/Capital Outlay - New	10,704	25,404	14,700
Board of Education/Capital Outlay - New	0	3,813	3,813
Fiscal/Other	6,412	6,540	128
Operating Transfers Out	0	15,000	15,000
Building			
Capital Outlay/Purchased Services	0	15,000	15,000
Athletic Department - Capital Outlay			
Pupils/Materials and Supplies	1,750	2,003	253
Pupils/Capital Outlay - New	6,112	7,062	950
SchoolNet Plus			
Regular/Capital Outlay - New	28,193	47,320	19,127
Textbook/Instructional Materials			
Regular/Materials and Supplies	29,759	31,117	1,358
Enterprise Fund			
Uniform School Supplies			
Materials and Supplies	86,560	99,972	13,412
Other Expenses	0	1,365	1,365

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

4. BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - All Governmental Fund Types and Expendable Trust Funds and the Combined Statement of Revenues, Expenses, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - Proprietary Fund Type and Non-Expendable Trust Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and expendable trust funds and as note disclosure in the proprietary fund type and non-expendable trust fund (GAAP basis).
4. For proprietary funds, the acquisition and construction of fixed assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type.

Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses
All Governmental Fund Types and Expendable Trust Funds

	Governmental Fund Types				Expendable Trust
	General	Special Revenue	Debt Service	Capital Projects	
GAAP Basis	\$850,735	\$99,576	(\$142,312)	\$106,792	(\$1,850)
<u>Increase (Decrease)</u>					
<u>Due To:</u>					
Revenue Accruals:					
Accrued FY 1999, Received in FY 2000	2,048,199	36,761	287,702	83,399	0
Accrued FY 2000, Not Yet Received	(1,702,336)	(233)	(124,938)	(46,735)	0
Expenditure Accruals:					
Accrued FY 1999, Paid in FY 2000	(1,353,666)	(68,575)	0	(43,102)	0
Accrued FY 2000, Not Yet Paid	1,434,422	53,062	0	96,319	0

(continued)

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

4. BUDGETARY BASIS OF ACCOUNTING (Continued)

Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses
All Governmental Fund Types and Expendable Trust Funds
(Continued)

	Governmental Fund Types				Expendable Trust
	General	Special Revenue	Debt Service	Capital Projects	
Cash Adjustments:					
Unrecorded Activity FY 1999	27,031	0	885	613	193
Unrecorded Activity FY 2000	(11,030)	0	(1,176)	(2,059)	(101)
Prepaid Items	7,128	0	0	0	0
Loan Retirement	(625,935)	0	0	0	0
Encumbrances Outstanding at Year End (Budget Basis)	(274,930)	(67,475)	0	(209,093)	0
Budget Basis	\$399,618	\$53,116	\$20,161	(\$13,866)	(\$1,758)

Net Income/Excess of Revenues Over Expenses and Transfers
Proprietary Fund Type and Non-Expendable Trust Fund

	Proprietary Fund Type	
	Enterprise	Non-Expendable Trust
GAAP Basis	\$5,538	\$1,255
<u>Increase (Decrease) Due To:</u>		
Revenue Accruals:		
Accrued FY 1999, Received in FY 2000	36,291	500
Accrued FY 2000, Not Yet Received	(45,049)	0
Expense Accruals:		
Accrued FY 1999, Paid in FY 2000	(63,745)	0
Accrued FY 2000, Not Yet Paid	80,211	0
Cash Adjustments:		
Unrecorded Activity FY 1999	340	0
Unrecorded Activity FY 2000	(441)	(155)
Prepaid Items	(1)	0
Inventory Held for Resale	(404)	0
Materials and Supplies Inventory	160	0
Acquisition of Fixed Assets	(3,175)	0
Depreciation Expense	22,858	0
Encumbrances Outstanding at Year End (Budget Basis)	(5,271)	0
Budget Basis	\$27,312	\$1,600

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

5. DEPOSITS AND INVESTMENTS

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

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

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

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

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

Interim monies may be invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

5. DEPOSITS AND INVESTMENTS (Continued)

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

At fiscal year end, the School District had \$400 in undeposited cash on hand which is included on the balance sheet of the School 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 No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

At fiscal year end, the carrying amount of the School District's deposits was (\$121,392) and the bank balance was \$103,659. Of the bank balance, \$100,000 was covered by federal depository insurance and \$3,659 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

The School District's investments are categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. The School District's investment in STAR Ohio is unclassified since it is not evidenced by securities that exist in physical or book entry form.

	Category 3	Carrying Amount	Fair Value
Repurchase Agreements	\$1,665,000	\$1,665,000	\$1,665,284
STAR Ohio		978,025	978,025
Totals		\$2,643,025	\$2,643,309

The classification of cash and cash equivalents and investments on the combined balance sheet is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting". A reconciliation between the classification of cash and cash equivalents and investments on the combined balance sheet and the classification of deposits and investments according to GASB Statement No. 3 is as follows:

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

5. DEPOSITS AND INVESTMENTS (Continued)

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$2,522,033	\$0
Cash on Hand	(400)	0
Investments:		
Repurchase Agreements	(1,665,000)	1,665,000
STAR Ohio	(978,025)	978,025
GASB Statement No. 3	(\$121,392)	\$2,643,025

6. PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Real and public utility property tax revenues received in calendar year 2000 represent the collection of calendar year 1999 taxes. Real property taxes for 2000 were levied after April 1, 2000, on the assessed values as of January 1, 2000, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility real and tangible personal property taxes for 2000 were levied after April 1, 2000, on the assessed values as of December 31, 1999, the lien date. Public utility real property is assessed at 35 percent of true value; tangible personal property is currently assessed at varying percentages of true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

Tangible personal property tax revenues received in calendar year 2000 (other than public utility property) represent the collection of calendar year 2000 taxes. Tangible personal property taxes for 2000 were levied after April 1, 1999, on the value as of December 31, 1999. Tangible personal property is currently assessed at 25 percent of true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The School District receives property taxes from Delaware, Marion, Morrow, and Union Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2000, are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

6. PROPERTY TAXES (Continued)

Accrued property taxes receivable represents delinquent taxes outstanding and real property, public utility property, and tangible personal property taxes which were measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2000, was \$571,255 in the General Fund, \$113,646 in the Bond Retirement debt service fund, and \$42,511 in the Permanent Improvement capital projects fund. The amount available as an advance at June 30, 1999, was \$1,150,915 in the General Fund, \$287,702 in the Bond Retirement debt service fund, and \$82,649 in the Permanent Improvement capital projects fund.

Accrued property taxes receivable also includes amounts for any late tax settlements made by the Counties. For fiscal year 2000, this amount was \$81,665 in the General Fund, \$11,292 in the Bond Retirement debt service fund, and \$4,224 in the Permanent Improvement capital projects fund.

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

	1999 Second- Half Collections		2000 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$187,776,360	88.84%	\$240,707,130	89.66%
Public Utility	16,277,100	7.70	18,956,650	7.06
Tangible Personal	7,309,990	3.46	8,818,276	3.28
Total Assessed Value	<u>\$211,363,450</u>	<u>100.00%</u>	<u>\$268,482,056</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$35.71		\$34.51	

7. INCOME TAXES

The School District levies a voted tax of 1 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 1993, and is for a continuing period. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund.

8. RECEIVABLES

Receivables at June 30, 2000, consisted of both property and income taxes, accounts (student fees and billings for user charged services), intergovernmental, and interfund receivables. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. Student fees are also considered collectible in full due to the withholding of diplomas and grade cards. Accounts receivable at June 30 were \$60,066.

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

8. RECEIVABLES

A summary of the principal items of intergovernmental receivables follows:

	Amount
General Fund	
Delaware JVS	\$489
State of Ohio	14,007
Tri-Rivers JVS	2,085
North Union LSD	3,230
Total General Fund	19,811
Enterprise Fund	
Food Service	\$18,982
Total Intergovernmental Receivables	\$38,793

9. FIXED ASSETS

A summary of the enterprise funds' fixed assets at June 30, 2000, follows:

Furniture and Equipment	\$524,051
Less Accumulated Depreciation	(245,030)
Net Fixed Assets	\$279,021

A summary of the changes in general fixed assets during fiscal year 2000 follows:

	Balance at 6/30/99	Additions	Reductions	Balance at 6/30/00
Land and Improvements	\$884,594	\$0	\$0	\$884,594
Buildings and Improvements	18,320,018	0	0	18,320,018
Furniture, Fixtures, and Equipment	3,492,883	116,176	33,204	3,575,855
Vehicles	1,196,571	0	0	1,196,571
Books	861,411	0	0	861,411
Totals	\$24,755,477	\$116,176	\$33,204	\$24,838,449

10. INTERFUND ASSETS/LIABILITIES

At June 30, 2000, the General Fund had an interfund receivable and the Drug Free special revenue fund had an interfund payable, in the amount of \$2,835.

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

11. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2000, the School District contracted for the following insurance coverages.

Coverages provided by Nationwide Insurance are as follows:

Automobile Liability	\$2,000,000
Uninsured Motorists	2,000,000
Comprehensive (\$100 deductible)	
Collision (\$250 deductible)	
Medical Payments - per person	5,000
General Liability	
Per Occurrence	2,000,000
Total Per Year	5,000,000

Coverages provided by Scharer Insurance are as follows:

Building and Contents/Boiler and Machinery (\$1,000 deductible)	35,375,896
Inland Marine Coverage (\$100 deductible)	
Farm Equipment	77,412
Equipment Rented, Leased, or Borrowed	5,000
Maintenance Truck Equipment	3,401
EDP	402,422
Musical Instruments	186,612

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

For fiscal year 2000, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP.

A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP.

The School District participates in the Champaign, Delaware, Marion, Union School Employee Welfare Benefit Association Trust (the Trust), a public entity shared risk pool consisting of eight school districts and the Champaign County and Delaware/Union County Educational Service Centers. The School District pays monthly premiums to the Trust for employee medical, dental, and life insurance benefits. The Trust is responsible for the management and operations of the program. Upon withdrawal from the Trust, a participant is responsible for the payment of all Trust liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

12. DEFINED BENEFIT PENSION PLANS

A. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits 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 percent of their annual covered salary and the School District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations for fiscal year 2000. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contribution for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998, were \$369,112, \$358,196, and \$640,357, respectively; 85 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. The unpaid contribution for fiscal year 2000, in the amount of \$56,814, is recorded as a liability within the respective funds.

B. School Employees Retirement System

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

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute an actuarially determined rate. The current rate is 14 percent of annual covered payroll; 5.5 percent was the portion used to fund pension obligations for fiscal year 2000. For fiscal year 1999, 7.7 percent 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 SERS Retirement Board. The School District's required contribution for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998, were \$91,083, \$126,016, and \$147,714, respectively; 42 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. The unpaid contribution for fiscal year 2000, in the amount of \$52,913, is recorded as a liability within the respective funds and the general long-term obligations account group.

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the State Teachers Retirement System or the School Employees Retirement System have an option to choose Social Security or the State Teachers Retirement System/School Employees Retirement System. As of June 30, 2000, all of the Board of Education members have elected Social Security. The Board's liability is 6.2 percent of wages paid.

13. POSTEMPLOYMENT BENEFITS

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired classified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums. Benefit provisions and the obligation to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For fiscal year 2000, the Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$492,149 for fiscal year 2000.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$2,783 million at June 30, 1999 (the latest information available). For the fiscal year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000, and STRS had 95,796 eligible benefit recipients.

For SERS, 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 percent of the premium.

For this fiscal year, employer contributions to fund health care benefits were 8.5 percent of covered payroll, an increase from 6.3 percent for fiscal year 1999. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay has been established at \$12,400. For the School District, the amount to fund health care benefits, including the surcharge, was \$174,056 for fiscal year 2000.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 1999, were \$126,380,984, and the target level was \$189.6 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$188.0 million. SERS has approximately 51,000 participants currently receiving health care benefits.

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

14. OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components is derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at a rate of one and one-fourth days per month. Upon retirement, payment is made for one-fourth of their accrued, but unused sick leave credit to a maximum of seventy-five days. In addition, sick leave in excess of one hundred twenty days is calculated on a basis of the total accumulated sick leave days up to and including two hundred ten days multiplied by .357 for classified employees, and up to and including two hundred fifteen days multiplied by .333 for certified employees.

B. Insurance Benefits

The School District offers medical, dental, and life insurance benefits to employees through the Champaign, Delaware, Marion, Union School Employees Welfare Benefit Association Trust. Depending upon the plan chosen, the employees share the cost of the monthly premium with the Board. The premium varies with employee depending on the terms of the union contract.

15. SHORT-TERM OBLIGATIONS

FY 1998 State Operating Loan - On March 6, 1998, the School District obtained a loan, in the amount of \$1,195,000, to meet its financial obligations as a result of an operating deficit. The loan was in anticipation of state foundation revenues. The loan was fully retired in fiscal year 2000. Principal paid from the General Fund during fiscal year 2000 was \$625,935.

16. LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2000 were as follows:

	Balance at 6/30/99	Additions	Reductions	Balance at 6/30/00
School Building Bonds FY 1996 4.100%	\$13,230,000	\$0	\$325,000	\$12,905,000
Compensated Absences Payable	1,215,318	0	12,202	1,203,116
Intergovernmental Payable	124,970	104,723	124,970	104,723
Capital Leases Payable	157,516	10,629	29,678	138,467
Total General Long-Term Obligations	\$14,727,804	\$115,352	\$491,850	\$14,351,306

FY 1996 School Building Bonds - On December 1, 1995, the School District issued \$14,000,000 in voted general obligation bonds for improving and constructing school buildings and facilities. The bonds were issued for a twenty-five year period, with final maturity in fiscal year 2021. The bonds are being retired through the Bond Retirement debt service fund.

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

16. LONG-TERM OBLIGATIONS (Continued)

Compensated absences and intergovernmental payables, representing the School District's contractually required pension contributions, will be paid from the fund from which the employees' salaries are paid. Capital leases will be paid from the General Fund.

The School District's overall debt margin was \$11,593,269 with an unvoted debt margin of \$268,482 at June 30, 2000.

Principal and interest requirements to retire the outstanding general obligation debt at June 30, 2000, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2001	\$335,000	\$754,998	\$1,089,998
2002	350,000	739,410	1,089,410
2003	365,000	722,783	1,087,783
2004	385,000	704,965	1,089,965
2005	400,000	685,925	1,085,925
2006-2010	2,420,000	3,021,373	5,441,373
2011-2015	3,215,000	2,068,141	5,283,141
2016-2020	4,415,000	877,911	5,292,911
2021	1,020,000	26,775	1,046,775
	<u>\$12,905,000</u>	<u>\$9,602,281</u>	<u>\$22,507,281</u>

17. CAPITAL LEASES - LESSEE DISCLOSURE

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

General fixed assets consisting of equipment have been capitalized in the general fixed assets account group, in the amount of \$177,498. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in fiscal year 2000 were \$29,678 in the governmental funds.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2000.

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

18. CAPITAL LEASES - LESSEE DISCLOSURE

Fiscal Year Ending June 30,	GLTDAG
2001	\$45,510
2002	48,331
2003	48,331
2004	29,811
Subtotal	171,983
Less Amount Representing Interest	(33,516)
Present Value of Minimum Lease Payments	\$138,467

19. SET ASIDE REQUIREMENTS

The School 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 the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end. These amounts must be carried forward and used for the same purposes in future years. In addition, the School District is required to set aside money for budget stabilization.

The following cash basis information identifies the changes in the fund balance reserves for textbooks, capital improvements, and budget stabilization during fiscal year 2000.

	Textbooks	Capital Improvements	Budget Stabilization
Balance June 30, 1999	\$60,032	\$0	\$68,829
Current Year Set Aside Requirement	297,623	297,623	0
Current Year Offsets	0	(280,346)	0
Qualifying Expenditures	(146,575)	(17,277)	0
Balance Carried Forward to FY 2001	\$211,080	\$0	\$68,829
Reserve Balance June 30, 2000	\$211,080	\$0	\$68,829

The total reserve balance for the set asides at the end of the fiscal year was \$279,909.

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

20. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The School District maintains two enterprise funds to account for the operations of food service and uniform school supplies. The table below reflects the more significant financial data relating to the enterprise funds of the Buckeye Valley Local School District as of and for the fiscal year ended June 30, 2000.

	Food Service	Uniform School Supplies	Total Enterprise Funds
Operating Revenues	\$495,616	\$87,889	\$583,505
Depreciation Expense	22,858	0	22,858
Operating Loss	(106,365)	(10,295)	(116,660)
Federal Donated Commodities	22,118	0	22,118
Operating Grants	73,051	0	73,051
Operating Transfers In	0	22,562	22,562
Net Income (Loss)	(6,729)	12,267	5,538
Fixed Asset Additions	3,175	0	3,175
Net Working Capital	\$44,810	\$37,891	\$82,701
Total Assets	396,571	40,293	436,864
Total Equity	309,647	37,891	347,538
Encumbrances Outstanding at Year End (Budget Basis)	1,034	4,237	5,271

21. JOINTLY GOVERNED ORGANIZATIONS

A. Tri-Rivers Educational Computer Association

The School District is a participant in the Tri-Rivers Educational Computer Association (TRECA), which is a computer consortium. TRECA is an association of public school districts within the boundaries of Delaware, Knox, Marion, Morrow, Muskingum, and Wyandot 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 school districts. The governing board of TRECA consists of one representative from each county elected by majority vote of all charter member school districts within each county, one representative from the city school districts, and the superintendent from Tri-Rivers Joint Vocational School. Financial information can be obtained from Mike Carder, who serves as Director, 2222 Marion Mt. Gilead Road, Marion, Ohio 43302.

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

21. JOINTLY GOVERNED ORGANIZATIONS (Continued)

B. Delaware Joint Vocational School

The Delaware Joint Vocational School (JVS) is a distinct political subdivision of the State of Ohio which provides vocational education. The JVS operates under the direction of a Board consisting of one representative from each of the ten participating school districts' Board of Education. The degree of control exercised by the School District is limited to its representation on the Board. The Board possesses its own budgeting and taxing authority. Financial information can be obtained from C. Lynn Starner, who serves as Treasurer, 4565 Columbus Pike Road, Delaware, Ohio 43015.

22. INSURANCE POOLS

A. Ohio School Boards Association Workers' Compensation Group Rating Plan

The School District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP) was established through the Ohio School Boards Association (OSBA) as an insurance purchasing pool.

The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the GRP. Each year, the participants pay an enrollment fee to the GRP to cover the costs of administering the program.

B. Champaign, Delaware, Marion, Union School Employee Welfare Benefit Association Trust

The Champaign, Delaware, Marion, Union School Employee Welfare Benefit Association Trust (the Trust), is a public entity shared risk pool consisting of eight school districts and the Champaign County and Delaware/Union County Educational Service Centers. The Trust is organized as a Voluntary Employee Benefit association under Section 501(c)(9) of the Internal Revenue Code and provides medical, dental, and life insurance benefits to the employees of the participants. Each participant's superintendent is appointed to an Administrative Committee which advises the Trustee, Huntington Bank, concerning aspects of the administration of the Trust.

Each participant decides which plans offered by the Administrative Committee will be extended to its employees. Participation in the Trust is by written application subject to acceptance by the Administrative Committee and payment of the monthly premiums. Financial information can be obtained from Rebecca McMillen, who serves as Director, Huntington Center HC1142, Columbus, Ohio 43287.

23. STATE SCHOOL FUNDING DECISION

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's Legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "School Foundation Program", which provides significant monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$4,862,994 of school foundation support for its General Fund.

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

23. STATE SCHOOL FUNDING DECISION (Continued)

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 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 appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Supreme Court rendered an opinion on this issue. The Supreme Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled". The Supreme Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision; however, it found seven "...major areas warrant further attention, study, and development by the Ohio General Assembly...", including the State's reliance on local property tax funding; the State's basic aid formula; the school foundation program, as discussed above; the mechanism for, and adequacy of, funding for school facilities; and the existence of the State's School Solvency Assistance Fund, which the Supreme Court found took the place of the unconstitutional emergency school loan assistance program.

The Supreme Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001. As of the date of these financial statements, the School District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations.

24. CONTINGENT LIABILITIES

A. Grants

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

B. Litigation

There are currently no matters in litigation with the School District as defendant.

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**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDING JUNE 30, 2000**

Federal Grantor/ Pass through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditure s	Non-Cash Expenditure s
U.S. Department Of Agriculture						
<i>Passed through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution		10.550	-	17,420	-	17,420
National School Lunch Program	03 PU 1999/2000 04 PU 1999/2000	10.555	60,563	-	60,563	-
School Milk Program	02 PU 1999/2000	10.556	2,260	-	2,260	-
Total U.S. Dept. Of Agriculture - Nutrition Cluster			<u>62,823</u>	<u>17,420</u>	<u>62,823</u>	<u>17,420</u>
U.S. Department of Education						
<i>Passed through Ohio Department of Education:</i>						
Title I	C1 S1 1999/2000	84.010	118,325	-	90,218	-
Special Education Cluster:						
Special Education_ Grants to States	6B SF 1998/1999	84.027	199,706	-	191,138	-
Special Education_Preschool Grants	PG S1 1999	84.173	4,124	-	4,124	-
Total - Special Education Cluster			<u>203,830</u>	<u>-</u>	<u>195,262</u>	<u>-</u>
Safe and Drug Free Schools and Communities	DR S1 1999 DR S1 2000	84.186	17,756	-	17,756	-
Eisenhower Professional Development State Grant	MS S1 1998 MS S1 2000	84.281	548	-	10,334	-
Innovation Education Program Strategies	C2 S1 1999 C2 S1 2000	84.298	12,412	-	15,538	-
Class Size Reduction	CR S1 2000	84.340	26,904	-	26,904	-
Total U.S. Department of Education			<u>379,775</u>	<u>0</u>	<u>356,012</u>	<u>0</u>
U.S. Department of Labor						
<i>Passed through Ohio Department of Education:</i>						
Employment Services and Job Training Pilot and Demonstration Program		17.249	-	-	8,597	-
U.S. Department of Health and Human Services						
<i>Passed through Ohio Department of Education:</i>						
Dependent Care Plan		93.673	-	-	2,835	-
Total Federal Awards Receipts and Expenditures			<u>\$442,598</u>	<u>\$17,420</u>	<u>\$430,267</u>	<u>\$17,420</u>

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES AND RECEIPTS
JUNE 30, 2000**

A SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures and receipts is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

B FOOD DISTRIBUTION

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. Monies are commingled with State Grants. It is assumed federal monies are expended first. At June 30, 2000, the District had no significant food commodities in inventory.



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

35 North Fourth Street
Columbus, Ohio 43216
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Buckeye Valley Local School District
Delaware County
679 Coover Road
Delaware, Ohio 43015

To the Board of Education:

We have audited the general purpose financial statements of the Buckeye Valley Local School District, Delaware County, Ohio, (the District), as of and for the year ended June 30, 2000, and have issued our report thereon dated January 31, 2001. 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2000-10621-001 and 2000-10621-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated January 31, 2001.

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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2000-10621-001 through 2000-10621-005.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness. We also 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 31, 2001.

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

JIM PETRO
Auditor of State

January 31, 2001



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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**

Buckeye Valley Local School District
Delaware County
679 Coover Road
Delaware, Ohio 43015

To the Board of Education:

Compliance

We have audited the compliance of the Buckeye Valley Local School District, Delaware County, Ohio, (the District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that is applicable to its major federal program for the year ended June 30, 2000. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2000.

Internal Control Over Compliance

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

Buckeye Valley Local School District
Delaware County
Report on Compliance with Requirements Applicable to Each Major
Program and Internal Control over Compliance in Accordance
With OMB Circular A-133
Page 2

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgement, could adversely affect the County's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying schedule of findings as item 2000-10621-006.

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 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. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions that are also considered to be a material weakness. However, we believe the reportable condition described above is not a material weakness.

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

JIM PETRO
Auditor of State

January 31, 2001

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2000**

1. SUMMARY OF AUDITOR'S RESULTS
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(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	Yes
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	Yes
(d)(1)(vii)	Major Programs (list):	CFDA #84.027/84.173 Special Education Cluster
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2000
(Continued)**

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

2000-10621-001

Expenditures Exceed Appropriations

Ohio Rev. Code Section 5705.41(B) states that no subdivision or taxing unit shall make any expenditure of money unless it has been appropriated.

Expenditures exceeded appropriations at June 30, 2000 for the following fund types and accounts, which constitute the legal level of control.

Fund Type/Fund/ Function/ Object	Appropriations	Expenditures	Variance
General Fund			
Regular Instruction / Salary	4,362,892	4,440,083	(77,191)
Regular Instruction / Purchased Services	27,032	51,782	(24,750)
Regular Instruction / Capital Outlay - Replacement	0	1,659	(1,659)
Special Instruction / Materials and Supplies	2,900	4,509	(1,609)
Vocational Instruction / Salaries	208,996	212,055	(3,059)
Vocational Instruction / Fringe Benefits	64,789	65,088	(299)
Vocational Instruction / Capital Outlay - Replacement	0	1,140	(1,140)
Other / Purchased Services	583	7,340	(6,757)
Pupils / Other	0	338,964	(338,964)
Pupils / Capital Outlay - New	0	3,227	(3,227)
Pupils / Capital Outlay - Replacement	0	692	(692)
Instructional Staff / Salaries	141,957	147,474	(5,517)
Instructional Staff / Fringe Benefits	62,461	70,121	(7,660)
Board of Education / Fringe Benefits	756	2,835	(2,079)
Board of Education / Materials and Supplies	1,650	3,001	(1,351)
Board of Education / Other	53,226	63,525	(10,299)
Administration / Salaries	748,283	759,755	(11,472)
Administration / Other	0	102	(102)
Administration / Capital Outlay - New	2,700	21,293	(18,593)
Administration / Capital Outlay - Replacement	344	2,072	(1,728)
Fiscal / Salaries	99,157	103,221	(4,064)
Fiscal / Fringe Benefits	44,957	45,958	(1,001)
Fiscal / Capital Outlay - New	0	2,410	(2,410)
Operation and Maintenance of Plant / Purchased Services	517,428	571,769	(54,341)
Operation and Maintenance of Plant / Materials and Supplies	94,237	101,830	(7,593)
Operation and Maintenance of Plant / Capital Outlay - New	0	12,713	(12,713)
Operation and Maintenance of Plant / Capital Outlay - Replacement	0	2,899	(2,899)
Pupil Transportation / Materials and Supplies	125,991	154,501	(28,510)
Pupil Transportation / Other	150	558	(408)
Pupil Transportation / Capital Outlay - Replacement	103,846	104,109	(263)
Non-Instructional Services / Salaries	600	939	(339)
Non-Instructional Services / Fringe Benefits	54	197	(143)
Non-Instructional Services / Other	0	200	(200)
Extracurricular Activities / Salaries	36,100	50,782	(14,682)
Extracurricular Activities / Fringe Benefits	6,437	7,669	(1,232)
Extracurricular Activities / Purchased Services	250	638	(388)
Extracurricular Activities / Other	464	681	(217)
Debt Service / Other	0	645,629	(645,629)
Operating Transfers Out	0	46,722	(46,722)
Refund of Prior Year Receipts	42	454	(412)

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2000
(Continued)**

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

2000-10621-001 (Continued)

Expenditures Exceed Appropriations (Continued)

Fund Type/Fund/ Function/ Object	Appropriations	Expenditures	Variance
<u>Special Revenue Funds</u>			
Other Grants Fund			
Operating Transfers Out	0	231	(231)
Early Childhood Care - SACC			
Regular Instruction / Salaries	68,618	78,535	(9,917)
Regular Instruction / Fringe Benefits	10,904	12,479	(1,575)
Regular Instruction / Material and Supplies	5,674	6,030	(356)
Special Instruction / Other	2,642	2,847	(205)
Administration / Salaries	21,122	25,434	(4,312)
Administration / Fringe Benefits	4,983	5,703	(720)
Non-Instructional Services / Material and Supplies	8,218	10,923	(2,705)
Recycling Grant Fund			
Regular Instruction / Materials and Supplies	229	515	(286)
Athletic and Music Fund			
Extracurricular Activities / Materials and Supplies	51,962	55,306	(3,344)
Extracurricular Activities / Other	8,983	11,871	(2,888)
Professional Development Fund			
Regular Instruction / Materials and Supplies	0	155	(155)
Instructional Staff / Materials and Supplies	780	2,064	(1,284)
SACC Grant Fund			
Regular Instruction / Capital Outlay - New	7,036	7,294	(258)
Administration / Purchased Services	0	198	(198)
Pupil Transportation / Salaries	762	1,380	(618)
Eisenhower			
Regular Instruction / Purchased Services	3,225	3,375	(150)
Instructional Staff / Purchased Services	0	150	(150)
Refund of Prior Year Receipts	0	1,618	(1,618)
Title VI-B			
Special Instruction / Fringe Benefits	0	2,597	(2,597)
Special Instruction / Purchased Services	66,545	75,276	(8,731)
Special Instruction / Materials and Supplies	7,140	7,606	(466)
Special Instruction / Capital Outlay - Replacement	0	892	(892)
Instructional Staff / Fringe Benefits	11,000	15,748	(4,748)
Administration / Materials and Supplies	300	528	(228)
Pupil Transportation / Purchased Services	8,190	14,164	(5,974)
Refund of Prior Year Receipts	0	8,000	(8,000)
Title I			
Special Instruction / Fringe Benefits	20,776	21,145	(369)
Title VI			
Regular Instruction / Purchased Services	10,698	10,965	(267)
Drug Free			
Pupils / Salaries	7,851	8,636	(785)
SACC Grant			
Regular Instruction / Supplies and Materials	4,750	5,427	(677)
Special Instruction / Other	0	466	(466)
Pupils / Capital Outlay - New	1,850	3,705	(1,855)
Administration / Materials and Supplies	0	571	(571)
Pupil Transportation / Salaries	419	559	(140)
Continuous Improvement			
Administration / Materials and Supplies	77	362	(285)

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2000
(Continued)**

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

2000-10621-001 (Continued)

Expenditures Exceed Appropriations (Continued)

Fund Type/Fund/ Function/ Object	Appropriations	Expenditures	Variance
<u>Capital Projects Funds</u>			
Permanent Improvement Fund			
Regular Instruction / Supplies and Materials	2,133	20,588	(18,455)
Pupils / Capital Outlay - New	10,704	25,404	(14,700)
Board of Education / Capital Outlay - New	0	3,813	(3,813)
Fiscal / Other	6,412	6,540	(128)
Operating Transfers Out	0	15,000	(15,000)
Building			
Capital Outlay / Purchased Services	0	15,000	(15,000)
Athletic Department - Capital Outlay			
Pupils / Materials and Supplies	1,750	2,003	(253)
Pupils / Capital Outlay - New	6,112	7,062	(950)
SchoolNet Plus Fund			
Regular Instruction / Capital Outlay - New	28,193	47,320	(19,127)
Textbook/Instructional Materials Fund			
Regular Instruction / Materials and Supplies	29,759	31,117	(1,358)
<u>Enterprise Funds</u>			
Uniform School Supplies			
Materials and Supplies	86,560	99,972	(13,412)
Other Expenses	0	1,365	(1,365)

The lack of proper monitoring of the budgetary process, could lead to deficit spending and possibly negative fund equity. We recommend the District Treasurer and Board monitor budgetary activity and make the necessary budgetary adjustments in a timely manner.

2000-10621-002

Appropriations Exceeding Certified Resources

Ohio Rev. Code Section 5705.39 requires that the total appropriations from each fund should not exceed the total estimated revenue. Additionally, no appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2000
(Continued)**

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

2000-10621-002 (continued)

Appropriations Exceeding Certified Resources (continued)

The following funds had appropriations which exceeded the total certified resources for Fiscal Year 2000:

Fund Type/Fund	Total Certified Resources	Appropriations	Excess
Special Revenue Funds:			
School Farm	\$89,428	\$93,978	\$4,550
Early Childhood Care - SACC	14,818	14,941	123
Educ. Management Information System	6,431	6,440	9
Ohio Reads	58,980	107,959	48,979
Eisenhower	14,874	19,928	5,054
Title VI	20,702	30,220	9,518
Drug Free	2,895	9,651	6,756
SACC Grant	0	16,491	16,491
Non-Expendable Trust Fund			
Scholarship	30,269	52,327	22,058

The District must ensure that budgeted spending within funds does not exceed the estimated revenue for such funds. Without such monitoring the District could over spend available resources and end up in a negative cash position for the affected fund.

We recommend that the Treasurer and Board effectively monitor revenue projections to spending limitations, to ensure they comply with Ohio law and that they are not utilizing more resources than available.

2000-10621-003

Fixed Asset Policy

The District does not have a formal fixed asset policy and procedure manual. This weakness could result in errors in the tracking and reporting of the District's assets.

A formal fixed asset policy would allow the District to define the procedures to be followed regarding fixed assets of the District. The policy should address the addition/disposal of assets, inventory of assets, valuation of assets, tracking and tagging of assets, and reporting of assets.

We recommend the District adopt a policy and procedural manual that contains at a minimum the items mentioned above.

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2000
(Continued)**

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

2000-10621-004	
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School Age Childcare (SACC) Tuition Fees

The District should establish a standard tuition schedule. The District should also implement procedures to assure the fees are properly collected and deposited.

The District does not have a standard fee schedule that indicates fees for full-time, part-time, drop-ins, late fees, and employee discounts. The SACC does not properly track fees to be collected, amounts paid, late fees assessed or received, or attendance. In addition, there is no reconciliation of deposits made with amounts received.

The lack of a standard schedule and proper reconciliation procedures could lead to loss, theft, or monies due to the SACC going uncollected.

We recommend the District establish a standard fee schedule including tuition rates, late fees, and discounts. We also recommend the District establish procedures for the tracking of tuition to be paid, attendance, amounts collected and amounts deposited.

2000-10621-005	
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Timely and Accurate Posting of Budgetary Activity

The District should accurately post all budgetary measures and subsequent amendments approved by the Board of Education into the accounting ledgers in a timely manner.

The Board-approved appropriation measures were not accurately and timely posted to the accounting ledgers throughout the fiscal year.

The lack of timely updates to the accounting system leads to improperly stated budgetary reports and ineffective monitoring of expenditures against appropriations and may lead to untimely passage of needed appropriation amendments and expenditures in excess of approved levels of appropriations.

We recommend the District accurately post budgetary measures to the accounting system on a timely basis using the measures and amendments approved by the Board. The Board should periodically review the appropriations from the accounting system to ensure they agree to the approved appropriation line items and amounts.

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2000
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS

Finding Number	2000-10621-006
CFDA Title and Number	Title VI B - Special Education Grants to States, CFDA #84.027 Special Education - Preschool Grants, CFDA #84.173
Federal Award Number / Year	046755-6B-SF-00P / 07/01/99 - 09/30/00
Pass - Through Agency	Ohio Department of Education Division of Special Education

Project Cash Requests

The Title VI B Special Education Grant requires project cash requests be submitted four weeks prior to the date when additional funds will be needed.

The District requested cash in March 1999, at which date the fund cash balance was \$0. The District also requested cash in July, 1999, at which date the fund cash deficit was (\$13,331.) These cash balances indicate the requests were not made four weeks prior to when funds were needed and also that the federal fund may be in a deficit situation, which represents noncompliance with Ohio law.

The District should monitor the fund cash balance more closely in order to make requests more timely. The Grant Coordinator and Treasurer should monitor the expected expenditures to ensure grant funding is requested in a timely manner.

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**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2000**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected ?</u> Y or N	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No <u>Longer Valid</u> ; <i>Explain:</i>
1999-10621-001	Ohio Rev. Code Section 5705.41(B) states that no subdivision or taxing unit shall make any expenditure of money unless it has been appropriated. Expenditures exceeded appropriations at June 30, 1999 for several accounts.	N	The District has not yet corrected this noncompliance citation.
1999-10621-002	Ohio Rev. Code Section 5705.39 requires that the total appropriations from each fund should not exceed the total estimated revenue. Additionally, no appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. Several funds had appropriations which exceeded the total certified resources for Fiscal Year 1998.	N	The District has not yet corrected this noncompliance citation.
1999-10621-003	The District did not set up the required reserves for textbooks, capital improvements, and budget stabilization.	Y	The District established the appropriate reserves.
1999-10621-004	The District does not have a formal fixed asset policy. As a result, numerous adjustments were made to the District's fixed assets ledgers.	N	A District procedure for tracking additions and disposals of fixed assets is in place. These procedures are monitored by building principals and supervisors. A formal fixed asset policy and procedure manual adopted by the Board would allow for better controls. As of this date, the Board has not adopted said policy or manual.
1999-10621-005	Project cash requests were not submitted in a timely manner.	N	The District has not yet corrected this noncompliance citation.



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OFFICE OF THE AUDITOR

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BUCKEYE VALLEY LOCAL SCHOOL DISTRICT

DELAWARE 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
APRIL 5, 2001**