

**BEAVERCREEK CITY SCHOOL DISTRICT**

**Financial Statements**

**June 30, 1999**



**PLATTENBURG & ASSOCIATES, INC.**  
CERTIFIED PUBLIC ACCOUNTANTS  
CINCINNATI/DAYTON



**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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**JIM PETRO, AUDITOR OF STATE**

35 North Fourth Street, 1<sup>st</sup> Floor  
Columbus, Ohio 43215

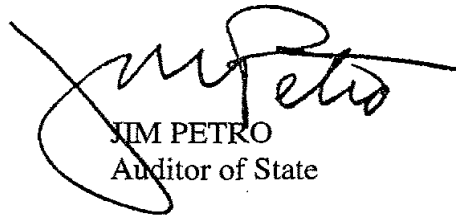
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Board of Education  
Beavercreek City School District

We have reviewed the Independent Auditor's Report of the Beavercreek City School District, Greene County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 1998 to June 30, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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



**JIM PETRO**  
Auditor of State

January 8, 2000



**PLATTENBURG & ASSOCIATES, INC./CERTIFIED PUBLIC ACCOUNTANTS**

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**Independent Accountants' Report**

December 3, 1999

Board of Education  
Beavercreek City School District

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

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

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

In accordance with *Governmental Auditing Standards*, we have also issued a report dated December 3, 1999 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.

A handwritten signature in cursive script that reads "Plattenburg &amp; Associates, Inc." The signature is written in dark ink and is positioned above the printed name of the firm.

Plattenburg & Associates, Inc.  
Certified Public Accountants

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

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Assets and Other Debits:</b>				
Equity in Pooled Cash and Investments	\$4,844,089	\$723,828	\$580,959	\$10,302,736
Restricted Cash	758,513	0	0	0
<b>Receivables:</b>				
Taxes	29,586,048	0	3,517,142	653,810
Intergovernmental	14,250	26,018	0	0
Accounts	12,277	0	0	0
Accrued Interest	91,216	0	0	290,131
Interfund Receivable	252,262	0	0	0
Prepaid Items	2,473	0	0	0
Inventory	98,628	0	0	0
Fixed Assets ( Net, where applicable, of Accumulated Depreciation)	0	0	0	0
<b>Other Debits:</b>				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided for Retirement of General Long-Term Obligations	0	0	0	0
<b>Total Assets &amp; Other Debits</b>	<b>\$35,659,756</b>	<b>\$749,846</b>	<b>\$4,098,101</b>	<b>\$11,246,677</b>
<b>Liabilities, Fund Equity &amp; Other Credits:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$509,187	\$113,377	\$0	\$3,762,862
Accrued Wages & Benefits	4,409,599	76,347	0	0
Compensated Absences Payable	41,312	0	0	0
Interfund Payable	0	45,220	0	200,000
Deferred Revenue	26,834,100	0	3,246,951	467,658
Due to Students	0	0	0	0
Tax Anticipation Notes Payables	1,000,000	0	0	0
General Obligation Bonds Payable	0	0	0	0
Capital Lease Obligations	0	0	0	0
Notes Payable	0	0	0	0
<b>Total Liabilities</b>	<b>32,794,198</b>	<b>234,944</b>	<b>3,246,951</b>	<b>4,430,520</b>
<b>Fund Equity &amp; Other Credits:</b>				
Investment in General Fixed Assets	0	0	0	0
<b>Retained Earnings:</b>				
Unreserved	0	0	0	0
<b>Fund Balance:</b>				
Reserved for Encumbrances	1,661,815	0	0	5,057,133
Reserved for Property Tax Advances	3,371,441	0	322,324	196,106
Reserved for Inventory	98,628	0	0	0
Reserved For Set-Asides	758,513	0	0	0
Reserved For Prepaid Items	2,473	0	0	0
Unreserved & Undesignated	(3,027,312)	514,902	528,826	1,562,918
<b>Total Fund Equity (Deficit) &amp; Other Credits</b>	<b>2,865,558</b>	<b>514,902</b>	<b>851,150</b>	<b>6,816,157</b>
<b>Total Liabilities, Fund Equity &amp; Other Credits</b>	<b>\$35,659,756</b>	<b>\$749,846</b>	<b>\$4,098,101</b>	<b>\$11,246,677</b>

See accompanying notes.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$86,023	\$2,232	\$274,074	\$0	\$0	\$16,813,941
0	0	0	0	0	758,513
0	0	0	0	0	33,757,000
36,500	0	0	0	0	76,768
2,824	0	0	0	0	15,101
0	0	0	0	0	381,347
0	0	0	0	0	252,262
0	0	0	0	0	2,473
21,296	0	0	0	0	119,924
28,004	0	0	67,005,748	0	67,033,752
0	0	0	0	851,150	851,150
0	0	0	0	46,379,244	46,379,244
<u>\$174,647</u>	<u>\$2,232</u>	<u>\$274,074</u>	<u>\$67,005,748</u>	<u>\$47,230,394</u>	<u>\$166,441,475</u>
\$75,844	\$0	\$15,212	\$0	\$0	\$4,476,482
76,498	0	0	0	314,356	4,876,800
115,033	0	0	0	4,335,781	4,492,126
0	0	7,042	0	0	252,262
2,164	0	0	0	0	30,550,873
0	0	228,920	0	0	228,920
0	0	0	0	0	1,000,000
0	0	0	0	39,945,000	39,945,000
0	0	0	0	336,970	336,970
0	0	0	0	2,298,287	2,298,287
269,539	0	251,174	0	47,230,394	88,457,720
0	0	0	67,005,748	0	67,005,748
(94,892)	2,232	0	0	0	(92,660)
0	0	0	0	0	6,718,948
0	0	0	0	0	3,889,871
0	0	0	0	0	98,628
0	0	0	0	0	758,513
0	0	0	0	0	2,473
0	0	22,900	0	0	(397,766)
(94,892)	2,232	22,900	67,005,748	0	77,983,755
<u>\$174,647</u>	<u>\$2,232</u>	<u>\$274,074</u>	<u>\$67,005,748</u>	<u>\$47,230,394</u>	<u>\$166,441,475</u>

Beavercreek City School District  
 Combined Statement of Revenues, Expenditures  
 And Changes in Fund Balance  
 All Governmental Fund Types and Expendable Trust Funds  
 For the Year Ended June 30, 1999

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
<b>Revenues:</b>						
Taxes	\$27,555,682	\$0	\$3,298,064	\$1,213,467	\$0	\$32,067,213
Intergovernmental	14,047,606	1,532,135	321,360	116,319	0	16,017,420
Investment	638,084	0	0	983,314	939	1,622,337
Tuition & Fees	117,633	0	0	0	0	117,633
Extracurricular Activities	21,111	347,898	0	0	0	369,009
Miscellaneous	3,209,025	33,407	0	0	0	3,242,432
<b>Total Revenues</b>	<b>45,589,141</b>	<b>1,913,440</b>	<b>3,619,424</b>	<b>2,313,100</b>	<b>939</b>	<b>53,436,044</b>
<b>Expenditures:</b>						
<b>Current:</b>						
<b>Instruction:</b>						
Regular	20,147,086	210,336	0	676,160	0	21,033,582
Special	2,896,253	269,007	0	0	0	3,165,260
Vocational	109,952	0	0	0	0	109,952
Other	754,103	25,176	0	0	0	779,279
<b>Support Services:</b>						
Pupils	2,625,260	103,110	0	0	0	2,728,370
Instructional Staff	2,078,058	148,699	0	0	0	2,226,757
Board of Education	43,311	0	0	0	0	43,311
Administration	3,294,660	72,205	0	33,439	0	3,400,304
Fiscal	797,438	0	45,097	13,543	0	856,078
Business	199,555	0	0	143,169	0	342,724
Operation & Maintenance of Plant	5,069,447	0	0	301,769	0	5,371,216
Pupil Transportation	2,143,229	435	0	300,990	0	2,444,654
Central	523,925	25,986	0	0	0	549,911
Operation of Non-Instructional Services	23,999	737,571	0	0	0	761,570
Extracurricular Activities	642,126	351,942	0	0	0	994,068
Capital Outlay	187,668	0	0	22,752,739	0	22,940,407
<b>Debt Service:</b>						
Principal Retirement	0	0	1,662,759	0	0	1,662,759
Interest & Fiscal Charges	67,111	0	2,351,315	0	0	2,418,426
<b>Total Expenditures</b>	<b>41,603,181</b>	<b>1,944,467</b>	<b>4,059,171</b>	<b>24,221,809</b>	<b>0</b>	<b>71,828,628</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>3,985,960</b>	<b>(31,027)</b>	<b>(439,747)</b>	<b>(21,908,709)</b>	<b>939</b>	<b>(18,392,584)</b>
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Fixed Assets	28	0	0	0	0	28
Operating Transfers In	367,111	6,738	1,500,000	0	0	1,873,849
Operating Transfers Out	(1,523,748)	0	(367,111)	0	0	(1,890,859)
Proceeds of Capital Leases	160,174	0	0	0	0	160,174
<b>Total Other Financing Sources (Uses)</b>	<b>(996,435)</b>	<b>6,738</b>	<b>1,132,889</b>	<b>0</b>	<b>0</b>	<b>143,192</b>
<b>Excess of Revenues &amp; Other Financing Sources Over (Under) Expenditures &amp; Other Financing Uses</b>	<b>2,989,525</b>	<b>(24,289)</b>	<b>693,142</b>	<b>(21,908,709)</b>	<b>939</b>	<b>(18,249,392)</b>
<b>Fund Balance, Beginning of Year</b>	<b>(102,837)</b>	<b>539,191</b>	<b>158,008</b>	<b>28,724,866</b>	<b>21,961</b>	<b>29,341,189</b>
<b>Increase (Decrease) in Reserve for Inventory</b>	<b>(21,130)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(21,130)</b>
<b>Fund Balance, End of Year</b>	<b>\$2,865,558</b>	<b>\$514,902</b>	<b>\$851,150</b>	<b>\$6,816,157</b>	<b>\$22,900</b>	<b>\$11,070,667</b>

See accompanying notes.

Beavercreek City School District  
 Combined Statement of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 All Governmental Fund Types  
 For the Year Ended June 30, 1999

	General			Special Revenue		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$26,069,500	\$26,069,500	\$0	\$0	\$0	\$0
Intergovernmental	14,038,312	14,038,312	0	1,547,671	1,547,671	0
Investment	566,787	566,787	0	0	0	0
Tuition & Fees	136,313	136,313	0	0	0	0
Extracurricular Activities	0	0	0	347,898	347,898	0
Miscellaneous	3,198,738	3,198,738	0	39,699	39,699	0
<b>Total Revenues</b>	<b>44,009,650</b>	<b>44,009,650</b>	<b>0</b>	<b>1,935,268</b>	<b>1,935,268</b>	<b>0</b>
<b>Expenditures:</b>						
<b>Current:</b>						
<b>Instruction:</b>						
Regular	20,606,788	20,521,853	84,935	281,881	210,432	71,449
Special	2,906,576	2,899,542	7,034	315,692	274,484	41,208
Vocational	161,202	161,202	0	0	0	0
Other	1,052,519	1,052,519	0	40,231	38,295	1,936
<b>Support Services:</b>						
Pupils	2,734,491	2,729,369	5,122	166,391	103,278	63,113
Instructional Staff	2,105,783	2,092,854	12,929	179,778	156,150	23,628
Board of Education	42,702	34,076	8,626	0	0	0
Administration	3,372,061	3,370,926	1,135	85,884	74,245	11,639
Fiscal	791,926	789,468	2,458	0	0	0
Business	181,824	170,564	11,260	0	0	0
Operation & Maintenance of Plant	5,221,336	5,204,419	16,917	400	0	400
Pupil Transportation	2,462,899	2,462,899	0	435	435	0
Central	741,556	740,189	1,367	58,600	35,324	23,276
Operation of Non-Instructional Services	23,999	23,999	0	844,138	663,522	180,616
Extracurricular Activities	616,917	616,893	24	427,506	352,657	74,849
Capital Outlay	40,230	40,230	0	0	0	0
<b>Debt Service:</b>						
Principal Retirement	0	0	0	0	0	0
Interest & Fiscal Charges	0	0	0	0	0	0
Miscellaneous Expenditures	635	635	0	6,293	6,293	0
<b>Total Expenditures</b>	<b>43,063,444</b>	<b>42,911,637</b>	<b>151,807</b>	<b>2,407,229</b>	<b>1,915,115</b>	<b>492,114</b>
<b>Excess (Deficiency) of Revenues Over Under Expenditures</b>	<b>946,206</b>	<b>1,098,013</b>	<b>151,807</b>	<b>(471,961)</b>	<b>20,153</b>	<b>492,114</b>
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Fixed Assets	28	28	0	0	0	0
Operating Transfers In	0	0	0	6,737	6,737	0
Operating Transfers Out	(1,520,248)	(1,523,748)	(3,500)	0	0	0
Advances In	14,614	14,614	0	45,221	45,221	0
Advances Out	(255,764)	(252,264)	3,500	(14,614)	(14,614)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(1,761,370)</b>	<b>(1,761,370)</b>	<b>0</b>	<b>37,344</b>	<b>37,344</b>	<b>0</b>
<b>Excess of Revenues &amp; Other Financing Sources Over (Under) Expenditures &amp; Other Financing Uses</b>	<b>(815,164)</b>	<b>(663,357)</b>	<b>151,807</b>	<b>(434,617)</b>	<b>57,497</b>	<b>492,114</b>
<b>Fund Balance, Beginning of Year (Includes Prior Year Encumbrances Appropriated)</b>	<b>2,216,883</b>	<b>2,249,158</b>	<b>32,275</b>	<b>(329,757)</b>	<b>253,549</b>	<b>583,306</b>
<b>Fund Balance, End of Year</b>	<b>\$1,401,719</b>	<b>\$1,585,801</b>	<b>\$184,082</b>	<b>(\$764,374)</b>	<b>\$311,046</b>	<b>\$1,075,420</b>

See accompanying notes.

Debt Service			Capital Projects			Totals (Memorandum Only)		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$3,183,138	\$3,183,138	\$0	\$1,170,843	\$1,170,843	\$0	\$30,423,481	\$30,423,481	\$0
321,359	321,359	0	0	0	0	15,907,342	15,907,342	0
0	0	0	795,114	795,114	0	1,361,901	1,361,901	0
0	0	0	0	0	0	136,313	136,313	0
0	0	0	0	0	0	347,898	347,898	0
0	0	0	0	0	0	3,238,437	3,238,437	0
3,504,497	3,504,497	0	1,965,957	1,965,957	0	51,415,372	51,415,372	0
0	0	0	2,250,717	1,370,069	880,648	23,139,386	22,102,354	1,037,032
0	0	0	0	0	0	3,222,268	3,174,026	48,242
0	0	0	0	0	0	161,202	161,202	0
0	0	0	0	0	0	1,092,750	1,090,814	1,936
0	0	0	0	0	0	2,900,882	2,832,647	68,235
0	0	0	0	0	0	2,285,561	2,249,004	36,557
0	0	0	0	0	0	42,702	34,076	8,626
0	0	0	39,484	39,184	300	3,497,429	3,484,355	13,074
55,000	45,097	9,903	14,168	13,543	625	861,094	848,108	12,986
0	0	0	223,259	219,603	3,656	405,083	390,167	14,916
0	0	0	1,196,569	1,036,994	159,575	6,418,305	6,241,413	176,892
0	0	0	300,990	300,990	0	2,764,324	2,764,324	0
0	0	0	0	0	0	800,156	775,513	24,643
0	0	0	0	0	0	868,137	687,521	180,616
0	0	0	0	0	0	1,044,423	969,550	74,873
0	0	0	28,115,370	27,488,678	626,692	28,155,600	27,528,908	626,692
1,962,759	1,962,759	0	0	0	0	1,962,759	1,962,759	0
2,425,651	2,425,651	0	0	0	0	2,425,651	2,425,651	0
0	0	0	0	0	0	6,928	6,928	0
4,443,410	4,433,507	9,903	32,140,557	30,469,061	1,671,496	82,054,640	79,729,320	2,325,320
(938,913)	(929,010)	9,903	(30,174,600)	(28,503,104)	1,671,496	(30,639,268)	(28,313,948)	2,325,320
0	0	0	0	0	0	28	28	0
1,500,000	1,500,000	0	0	0	0	1,506,737	1,506,737	0
0	0	0	0	0	0	(1,520,248)	(1,523,748)	(3,500)
0	0	0	200,000	200,000	0	259,835	259,835	0
0	0	0	0	0	0	(270,378)	(266,878)	3,500
1,500,000	1,500,000	0	200,000	200,000	0	(24,026)	(24,026)	0
561,087	570,990	9,903	(29,974,600)	(28,303,104)	1,671,496	(30,663,294)	(28,337,974)	2,325,320
2,743	2,743	0	(34,791,717)	(12,531,922)	22,259,795	(32,901,848)	(10,026,472)	22,875,376
\$563,830	\$573,733	\$9,903	(\$64,766,317)	(\$40,835,026)	\$23,931,291	(\$63,565,142)	(\$38,364,446)	\$25,200,696



Beavercreek City School District  
 Combined Statement of Revenues, Expenses  
 And Changes in Retained Earnings  
 All Proprietary Fund Types  
 For the Year Ended June 30, 1999

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
Operating Revenues:			
Charges for Services	\$1,016,852	\$0	\$1,016,852
Miscellaneous Revenue	52,039	0	52,039
Total Operating Revenues	1,068,891	0	1,068,891
Operating Expenses:			
Salaries	601,647	0	601,647
Fringe Benefits	168,825	0	168,825
Purchased Services	14,270	0	14,270
Materials & Supplies	648,890	0	648,890
Depreciation	2,682	0	2,682
Total Operating Expenses	1,436,314	0	1,436,314
Operating Income (Loss)	(367,423)	0	(367,423)
Non-Operating Revenues (Expenses):			
Investment Revenue	14,027	0	14,027
Donated Commodities	94,127	0	94,127
Operating Grants - State & Local	19,612	0	19,612
Operating Grants - Federal	102,813	0	102,813
Total Non-Operating Revenues	230,579	0	230,579
Income (Loss) before Operating Transfers	(136,844)	0	(136,844)
Operating Transfers In	17,010	0	17,010
Net Income	(119,834)	0	(119,834)
Retained Earnings, Beginning of Year	24,942	2,232	27,174
Retained Earnings, End of Year	(\$94,892)	\$2,232	(\$92,660)

See accompanying notes.

Beavercreek City School District  
 Combined Statement of Cash Flows  
 All Proprietary Fund Types  
 For the Year Ended June 30, 1999

	Proprietary Fund Types		Totals (Memorandum only)
	Enterprise	Internal Service	
<b>Cash Flows from Operating Activities:</b>			
Cash Received from Charges for Services	1,014,028	0	1,014,028
Cash Received from Miscellaneous Sources	49,237	0	49,237
Cash Payments for Personal Services	(711,824)	0	(711,824)
Cash Payments for Contract Services	(14,270)	0	(14,270)
Cash Payments for Supplies & Materials	(465,285)	0	(465,285)
Net Cash Provided (Used) by Operating Activities	(128,114)	0	(128,114)
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Cash Received from Other Funds	17,010	0	17,010
Cash Received from Operating Grants	110,290	0	110,290
Cash Received from Investment Earnings	14,027	0	14,027
Other	2,802	0	2,802
Net Cash Provided (Used) by Non-Capital Financing Activities	144,129	0	144,129
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition of Capital Assets	(5,930)	0	(5,930)
Net Cash Used for Capital and Related Financing Activities	(5,930)	0	(5,930)
Net Increase (Decrease) in Cash and Cash Equivalents	10,085	0	10,085
Cash and Cash Equivalents at Beginning of Year	75,938	2,232	78,170
Cash and Cash Equivalents at End of Year	\$86,023	\$2,232	\$88,255
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>			
Operating Income (Loss)	(\$367,423)	\$0	(\$367,423)
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</b>			
Depreciation	2,682	0	2,682
Donated Commodities Used	94,127	0	94,127
<b>Changes in Assets and Liabilities:</b>			
(Increase) Decrease in Accounts Receivables	(2,824)	0	(2,824)
(Increase) Decrease in Materials & Supplies Inventory	11,459	0	11,459
Increase (Decrease) in Accounts Payable	76,091	0	76,091
Increase (Decrease) in Accrued Wages & Benefits	46,412	0	46,412
Increase (Decrease) in Compensated Absences Payable	12,154	0	12,154
Increase (Decrease) in Deferred Revenue	(792)	0	(792)
Net Cash Provided (Used) by Operating Activities	(\$128,114)	\$0	(\$128,114)

See accompanying notes.

BEAVERCREEK CITY SCHOOL DISTRICT  
GREENE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 1999

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**1. REPORTING ENTITY AND BASIS OF PRESENTATION**

**A. Historical Overview**

Beavercreek Township has the honor of having had the first school house in Greene County. It was built in 1803, three years before the county was organized. The building was of log construction and stood two miles west of Alpha. Additional log school buildings were built in 1810 and 1817. The first brick school was built in 1822.

Shortly before the Civil War, thirteen school districts existed in Beavercreek Township, composed of eleven one-room buildings and two-room buildings. Each of these school districts served a particular township and had its own school board. Realizing the lack of unification in these thirteen districts, the state guided all township schools toward consolidation to help provide a more unified curriculum. Beavercreek has the distinction of having the first graded rural school in the state. In 1887, a high school program was begun. The doors of the Beavercreek Rural High School opened with an enrollment of twenty students. This was the second rural high school in the state.

The need for a larger high school building soon became apparent, and in 1888 a new Beavercreek High School building was completed on the corner of Factory Road and Dayton-Xenia Road. This facility was used until 1932, when increased enrollment, a state move toward centralized schools and the elimination of all one-room schools, made the building inadequate in size and equipment. In 1932, Main School opened, allowing all students to attend school in one facility.

During the early 1950's Beavercreek Township began to experience a rapid transition from a rural setting to a suburban community. The demand for suburban living precipitated a building boom, and each year portions of the Township's open farm country were transferred into housing developments. Schools were built in various locations in the district and additions were made to existing buildings during 1953, 1954, 1956, 1957, 1958, 1960, 1961, 1964, 1965, and 1969, completing the structures we have currently. The district passed a bond issue in 1995 that has allowed additions and renovations to all schools, with the biggest change occurring at the High School.

The Beavercreek City School District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter and further mandated by state and/or federal agencies. This Board controls the district's eight instructional/support facilities staffed by a full-time staff of 747 employees. There are 458 certified employees including 23 administrators and 289 classified support staff including 8 Administrators, who provide services to 6,726 students and other community members.

BEAVERCREEK CITY SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 1999

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**1. REPORTING ENTITY AND BASIS OF PRESENTATION CONTINUED**

**B. Reporting Entity**

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the School District are not misleading.

The primary government consists of all funds and departments that provide various services including instruction, student guidance, extracurricular activities, educational media and care and upkeep of grounds and buildings. The operation of each of these activities is directly controlled by the Board of Education.

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 body and, (1) the School District is able to significantly influence the programs of services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations for which the School District approves the budget, the issuance of debt or the levying of taxes.

The District is associated with two organizations that are defined as jointly governed. These organizations include the Southwestern Ohio Educational Purchasing Cooperative and the Greene County Career Center.

**C. Basis of Presentation – Fund Accounting**

The School District uses funds and account groups to report on its financial position and the result 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 regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

BEAVERCREEK CITY SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 1999

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**1. REPORTING ENTITY AND BASIS OF PRESENTATION CONTINUED**

**C. Basis of Presentation – Fund Accounting Continued**

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

**Government Fund Types**

Governmental funds are those through which most governmental functions typically 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) are accounted for through governmental funds. The following are the School District's governmental fund types.

**General Fund** – This 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** – These funds are established to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditure for specific 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 debt principal, interest and other related costs.

**Capital Projects Fund** – The capital projects fund is 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).

**Proprietary Fund Types**

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

**Enterprise Funds** – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be recovered or financed primarily through user charges or where it has been decided that a periodic determination of revenues earned, expenses incurred, and/or

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 1999

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**1. REPORTING ENTITY AND BASIS OF PRESENTATION CONTINUED**

**C. Basis of Presentation – Fund Accounting Continued**

net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**Internal Service Fund**

This fund is used to account for the financing goods or services provided by one department or agency to other departments or agencies of the District, or to other governments on a cost-reimbursement basis.

**Fiduciary Funds**

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 governments and other funds. These include expendable trust and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Account Groups**

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

**General Fixed Assets Account Group** – This account group is used to account for all general fixed assets of the School District other than those accounted for in proprietary or trust funds.

**General Long-Term Obligation Account Group** – This account group is used to account for all long-term indebtedness of the School District that is not a specific liability of the proprietary or trust funds.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for City governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources.

BEAVERCREEK CITY SCHOOL DISTRICT  
GREENE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 1999

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

**A. Measurement Focus and Basis of Accounting**

The accounting and 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.

All enterprise funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e. net total assets) is segregated into contributed capital and retained earnings components. Proprietary funds' operating statements 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.

All governmental fund types, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting. 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 year. The available period for the School District is sixty days after year-end.

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

The School District reports deferred revenues in its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In a 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. Current and delinquent property taxes measurable as of June 30, 1999, whose availability is indeterminate and which are not intended to finance current period obligations, have been recorded as receivable and deferred revenue. In the proprietary fund type, unused donated commodities are reported as deferred revenue.

BEAVERCREEK CITY SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 1999

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

**A. Measurement Focus and Basis of Accounting Continued**

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are recorded when the related fund liability is incurred, if measurable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. The costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. 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 enterprise funds. Revenues are recognized when they are earned and become measurable and expenses are recognized when incurred, if measurable. There were no unbilled service charges receivable at year-end. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

**B. Budgets and Budgetary Accounting**

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, certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance 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. 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 on 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 taxpayer's 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 Greene County Budget Commission for rate determination.



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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 1999

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

**B. Budgets and Budgetary Accounting Continued**

Estimated Resources:

Prior to March 15, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources that states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the Certificate is amended to include unencumbered cash balances from the preceding year. The Certificate may be further amended during the year if the fiscal officer determines that the revenue collected is greater or less than the current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official Certificate of estimated resources issued during fiscal year 1999.

Appropriations

On or about October 1, the annual appropriation must be legally enacted by the Board of Education at the fund, function, 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. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent Certificate of Estimated Resources. The budget figures, which appear in the statements of budgetary comparisons, represent the final appropriation amounts, including all amendments and modifications.

Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are 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. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at the year-end are reported as reservations of fund balances

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 1999

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

**B. Budgets and Budgetary Accounting Continued**

for subsequent-year expenditure for governmental funds and reported in the notes to the financial statements for proprietary funds.

**Lapsing of Appropriations**

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

**C. Cash and Cash Equivalents**

To improve cash management, cash received by the School District is pooled in a central bank account with the exception of the proprietary fund type that is maintained in a separate account. Monies are maintained in these accounts or temporarily used to purchase short-term investments. Each fund's interest in the pool is presented on the balance sheet as "Equity in Pooled Cash and Cash Investments".

During fiscal year 1999 investments included overnight repurchase agreements, and various government obligations. These investments are stated at fair value as determined by quoted market prices. For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments with original maturities of three months or less and investments of the cash management pool are considered to be cash equivalents.

Under existing Ohio statutes, all investment earnings are credited to individual funds in accordance with the investment balance of each fund. Investment earnings in 1999 amounted to \$1,636,364.

**D. Restricted Cash**

Restricted cash in the general fund represents cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute. A fund balance reserve has also been established.

**E. Supplies Inventory**

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a

BEAVERCREEK CITY SCHOOL DISTRICT  
GREENE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 1999

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

**E. Supplies Inventory Continued**

first-in, first-out basis. The cost of inventory items are recorded as expenditures in the governmental fund types when purchased and as expenses in the proprietary fund types when used. Reported supplies inventory is equally offset by a fund balance reserve in the governmental funds that indicate it does not constitute available spendable resources even though it is a component of net current assets.

**F. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid items by using the consumption method and recording a current asset for the prepaid amount and reflecting the expenditure in the current year in which services are consumed.

**G. Short Term Inter-fund Receivables/Payables**

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as 'due from other funds' on the balance sheet. Short-term inter-fund loans are classified as 'inter-fund receivables/payables'.

**H. Fixed Assets and Depreciation**

The fixed asset values were initially determined at June 30, 1994 assigning original acquisition costs when such information was available. In cases where information supporting original costs were not available, estimated historical costs were developed. For certain fixed assets, the estimates were determined by indexing estimated current costs back to the estimated year of acquisition. Donated fixed assets are capitalized at fair value on the date donated.

**General Fixed Assets**

Fixed assets used in governmental fund type operations are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets reported in the general fixed assets account group. Assets in the general fixed assets account group are not depreciated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements that extend the useful life or increase the capacity or operating efficiency are capitalized at cost in the general fixed assets account group.

BEAVERCREEK CITY SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 1999

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

**H. Fixed Assets and Depreciation Continued**

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

**Proprietary Fund Fixed Assets**

Proprietary Fund fixed assets are associated with the enterprise funds and are accounted for in those funds. Depreciation is calculated using the straight-line method over the assets' estimated useful life. The assets of the enterprise funds are depreciated on the following basis:

Machinery and Equipment	5 – 10 years
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**I. Compensated Absences**

Vacation leave accumulated by employees is accrued as a liability as the benefits are earned when both of these conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

A liability for sick leave is accrued using the termination method that states that an accrual for earned sick leave is made to the extent it is probable that benefits will result in termination of payments. The liability is an estimate based on the School District's past experience of making termination payments.

For governmental funds, the District provides a liability for accumulated, unpaid vacation time and sick leave for eligible employees in the period in which the employee becomes eligible to receive payment. The current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. This amount is recorded as a fund liability, while the balance of the liability is recorded in the general long-term obligations account group

BEAVERCREEK CITY SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 1999

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

**J. Long Term Obligations**

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgements, compensated absences, contractually required pension contributions, and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Bonds, capital leases and long-term loans are reported as a liability of the general long-term obligations account group until due.

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

**K. Bond Premiums and Discounts**

For governmental fund types, bond premiums and discounts, as well as issuance costs are recognized during the current period. Bond proceeds are reported as other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

**L. Fund Balance Reserves**

The School District records reservations for portions of fund equity which are legally segregated for 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 that is available for appropriation in future periods. Fund equity reserves are established for encumbrances, inventories of supplies and materials, property taxes, budgetary set-asides required under Ohio law, and debt service.

**M. Intergovernmental Revenues**

Some grants are made based upon formulas. The use of such grant monies is typically restricted more in form than in substance. Accordingly, the GASB's Codification Governmental Accounting and Financial Reporting Standards states that revenues related to entitlements should be recognized as soon as they are susceptible to accrual (i.e., as soon as they are both measurable and available).

The concept of 'availability' applies only to entitlement and shared revenues associated with the current fiscal period. Entitlement or shared revenues associated with the subsequent fiscal year are not recognized as revenue of the current fiscal year, even if

BEAVERCREEK CITY SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 1999

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

**M. Intergovernmental Revenues Continued**

they are collected within the predetermined availability period. Entitlement and shared revenues should not be recognized in advance of the period they are intended to finance.

Revenues related to expenditure-driven grants are recognized when the qualifying expenditure is incurred and other related requirements fulfilled, regardless of the timing of collections.

**N. Inter-fund Transactions**

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

All other inter-fund transactions are reported as operating transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers.

**O. 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.

**P. Proprietary Fund Accounting**

In accordance with GSAB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting," the District applies all GASB pronouncements and all FASB Statements and Interpretations, Accounting Principals Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with GASB pronouncements.

**Q. Total Columns on General Purpose Financial Statements**

Total columns on the General Purpose Financial Statements are captioned 'Memorandum Only' to indicate that they are presented only to facilitate financial analysis. Data in those columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data

BEAVERCREEK CITY SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 1999

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

**Q. Total Columns on General Purpose Financial Statements Continued**

comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

**3. BUDGET TO GAAP RECONCILIATION**

**Budgetary Basis of Accounting**

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, requires accounting for certain transactions on the basis of cash receipts, disbursements, appropriations, and encumbrances. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations.

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Proceeds from and principal payments on debt obligations are reported on the operating statement (budget basis) rather than as a balance sheet transactions (GAAP basis).

The adjustment necessary to convert the results of operations for the year ended June 30, 1999 on the GAAP basis to the budget basis are as follows:

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 1999

**3. BUDGET TO GAAP RECONCILIATION CONTINUED**

	Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses Governmental Fund Types			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Project Funds
GAAP BASIS	\$2,989,525	(\$24,289)	\$693,142	(\$21,908,709)
Revenue Accruals (Net)	(2,092,162)	67,048	(114,927)	(147,143)
Expenditure Accruals (Net)	610,282	120,914	(7,225)	1,667,626
Encumbrances	<u>(2,171,002)</u>	<u>(106,176)</u>	<u>0</u>	<u>(7,914,878)</u>
Budget Basis	<u>(\$663,357)</u>	<u>(\$57,497)</u>	<u>\$570,990</u>	<u>(\$28,303,104)</u>

**4. DEPOSITS AND INVESTMENTS**

State statutes require the classification of monies held by the School District into three categories:

Category 1 consists of 'active' monies, those monies required to be kept in a 'cash' or 'near-cash' status for immediate use by the District. Such monies must be maintained either as cash in the School Treasury, in depository accounts payable or withdrawals on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Category 2 consists of 'inactive' monies, those monies not required for use within the current two-year period of designation of depositories. Inactive monies may be deposited or invested as certificates of deposit maturing not later than the end of the current period of designation of depositories, or as savings or deposit accounts including, but not limited to, passbook accounts.

Category 3 consists of 'interim' monies, 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 monies may be invested or deposited in the following securities:



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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 1999

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**4. DEPOSITS AND INVESTMENTS CONTINUED**

1. United States treasure notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be directed issuance of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Under limited circumstances, corporate debt interests rated in either of the two highest rating classification by at least two nationally recognized rating agencies.
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an account not to exceed twenty-five percent of the interim monies available for investment at any one time.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within 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 exception that it will be held to maturity.

Protection of School District cash and investments is provided by the Federal Deposit Insurance Corporations, by eligible securities pledged by the financial

BEAVERCREEK CITY SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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**4. DEPOSITS AND INVESTMENTS CONTINUED**

8. 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.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation or transfer from the custodian.

Deposits

At year-end, the carrying amount of the School District's deposits was \$591,125 and the bank balance was \$1,627,686. Of the bank balance \$201,692 was covered by federal deposit insurance. The remaining amounts were uninsured and uncollateralized as defined by GASB Statement No. 3 because the securities held as collateral by the financial institutions or their trust departments or agencies were in the financial institutions' names. As authorized by state statute, the pledging bank has established an investment and securities pool to collateralize all public deposits.

Investments

GSAB Statement No. 3, 'Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements', requires that the School District's investments be classified in categories of risk. Category 1 includes investments that are insured or registered or for which the securities are held by the District. Category 2 includes uninsured and unregistered investments for which the securities are held by the counter party's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter party or by its trust or agent but not in the District's name.

	Category 1	Category 2	Carrying Value/ Fair Value
U.S. Government Securities	\$2,469,813		\$2,469,813
Money Market	11,412,626		11,412,626
Repurchase Agreements	0	\$3,098,890	3,098,890
	\$13,882,439	\$3,098,890	\$16,981,329

BEAVERCREEK CITY SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 1999

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**5. PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be reevaluated every six years. Real property taxes are payable annually or semiannually. The first payment is due January 20, with the remainder payable by July 20.

Taxes collected on tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values listed on December 31 of the prior year, and at tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30 with the remainder payable by September 20. Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at 88 percent of its true value, public utility real property is assessed at 35 percent of true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the Greene County Vocational School District. The County Auditor periodically remits to the District its portion of the taxes collected. The full tax rate for all District operations for the year ended June 30, 1999 was \$47.15 per \$1,000 of assessed value. The assessed values upon which the fiscal year 1999 taxes were collected are as follows:

Agricultural/Residential	\$710,014,940
Commercial/Industrial	204,482,850
Public Utility Personal	52,138,770
Tangible Personal Property	77,012,015
Total	\$1,043,648,575

**BEAVERCREEK CITY SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 1999**

**5. PROPERTY TAXES CONTINUED**

Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies that are measurable as of June 30, 1999. Although total property tax collections for the next year are measurable, only the amount available as an advance of June 30 is intended to finance current year operations.

The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, was \$3,889,871 and is recognized as revenue.

**6. FIXED ASSETS**

Changes in general fixed assets during the fiscal year ended June 30, 1999 were as follows:

	Balance June 30, 1998	Additions	Deletions	Balance June 30, 1999
Land	\$1,359,445	\$ 0	\$ 0	\$1,359,445
Buildings	14,667,231	0	0	14,667,231
Equipment	7,408,274	991,180	795,103	7,604,351
Construction in Progress	<u>21,000,544</u>	<u>23,374,177</u>	<u>0</u>	<u>43,374,748</u>
<b>Totals</b>	<b>\$44,435,494</b>	<b>\$23,365,357</b>	<b>\$795,103</b>	<b>\$67,005,748</b>

A summary of Proprietary fixed assets at year-end is as follows:

Equipment	\$195,527
Less Accumulated Depreciation	(167,523)
<b>Net Fixed Assets</b>	<b>\$ 28,004</b>

**7. DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

The Beavercreek City School District contributes to the School Employees Retirement System of Ohio (SERS), a cost sharing multiple employee retirement system administered by the School Employees Retirement System Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Ohio Rev. Code Chapter 3309. SERS issues a publicly available financial report that includes financial statements

BEAVERCREEK CITY SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 1999

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**7. DEFINED BENEFIT PENSION PLANS CONTINUED**

**A. School Employees Retirement System Continued**

and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, OH 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the Beaver Creek City School District is required to contribute 14 percent; 9.45 percent was the portion to fund pension obligations. The contribution rates are not determined actuarially, but are established by SERS's Retirement Board within the rates allowed by State statute. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998, 1997 were \$949,116, \$836,544 and \$755,704 respectively.

**B. State Teachers Retirement System**

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

Plan members are required to contribute 9.3 percent of their annual covered salary and the Beaver Creek City School District is required to contribute 14 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal year ended June 30, 1999, 1998, and 1997 were \$2,968,920, \$2,824,248 and \$2,747,487 respectively.

**8. POST-EMPLOYMENT BENEFITS**

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

BEAVERCREEK CITY SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 1999

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**8. POST-EMPLOYMENT BENEFITS CONTINUED**

obligations 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 Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. Through June 30, 1997, the Board allocated employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund. Beginning July 1, 1997, this allocation was increased to 3.5 percent. The Health Care Reserve Fund allocation for the year ended June 30, 1999 will be 8% of covered payroll. For the School District, this amount equaled \$1,696,526 during fiscal 1999.

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

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, 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 premium.

For this fiscal year, employer contributions to fund health care benefits were 4.98 percent of covered payroll, an increase from 4.21 percent for fiscal year 1998. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 1999, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 125 percent of annual health care expenses. Expenses for health care at June 30, 1998 were \$111,900,575 and the target level was \$139.9 million. At June 30, 1998, SERS has net assets available for payment of health care benefits of \$160.3 million. SERS has approximately 48,200 participants currently receiving health care benefits. For the School District, the amount to fund health care benefits, including the surcharge, equaled \$337,614 during the 1999 fiscal year.

BEAVERCREEK CITY SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 1999

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**9. RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 1999, the School District contracted with Nationwide Insurance for building and property insurance. This policy has a limit of insurance in the amount of \$60,452,900 for property and \$1,996,785 for computers. Property has a \$1,000 deductible and computers have a \$100 deductible. Vehicle insurance is covered by Wausau Insurance for replacement cost with a \$250 deductible for comprehensive and a \$1,000 deductible for collision. General liability insurance is under Nationwide Insurance. The base policy has a \$2,000,000 per occurrence and a \$5,000,000 aggregate limit. An additional 'umbrella' policy has \$3,000,000 aggregate and occurrence limit. The Superintendent, Treasurer and Board President are all bonded.

The District is a member of the Southwestern Ohio Educational Purchasing Cooperative (SOEPC). The cooperative contracts with CompManagement, Inc. to provide an insurance purchasing pool for workers' compensation. The intent of the pool 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 pool. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium to the State based on the rate for the pool 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 pool. A participant will then either receive money from or be required to contribute to the pool. This equity pooling arrangement insures that each participant shares equally in the overall performance of the pool. Participation in the pool is limited to school districts that can meet the pool's selection criteria. CompManagement Inc., provides administrative, cost control and actuarial services to the SOEPC.

The School District has elected to provide employee medical benefits through United Health Care for certified employees and through Anthem Community Choice for classified employees. The employees share the cost of the monthly premium with the board for single and family plans. The board pays 90 percent of the premium for certified and a scaled percent based on hours worked for classified employees.

The School District provides life insurance to employees through Ohio National Life Insurance.

**10. CAPITALIZED LEASES – LEASEE DISCLOSURE**

In prior years, the District has entered into lease agreements for various office equipment including computers, copiers and a telephone system. These leases meet 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

**BEAVERCREEK CITY SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 1999**

**10. CAPITALIZED LEASES – LEASEE DISCLOSURE CONTINUED**

benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service in the Combined Federal Statements for the governmental funds. These expenditures are reflected as function expenditures on a budgetary basis. General fixed assets acquired by lease have been capitalized in the general fixed asset accounting group in an amount equal to the present value of the future minimum lease payments at the time of acquisition.

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

	Fiscal Year Ending June 30	General Long-Term Debt
	2000	\$102,562
	2001	99,500
	2002	90,417
	2003	87,959
	2004	41,632
Total Minimum Lease Payments		\$422,071
Less: Amount Representing Interest		85,101
Present Value of Minimum Lease Payments		\$336,970

**11. OPERATING LEASES**

The District has entered into operating leases with two companies for the rental of several modular classrooms. These leases are renewed annually. The amount of lease expense paid to GE Capital during the fiscal year 1999 was \$150,984. The amount paid to Modular Building Consultants was \$32,558.

**12. LONG-TERM OBLIGATIONS**

Long term obligations at June 9, 1999 were as follows:

	Balance June 30, 1998	Increase	Decrease	Balance June 30, 1999
3.6%-5.77% 1996 General Obligation Bonds School Improvement	\$40,295,000	\$ 0	\$1,165,000	\$39,130,000
4.5% Energy Conservation Bonds	900,000	0	85,000	815,000
0.0% EPA Loan	748,000		138,000	610,000
Energy Loan HB 264	1,963,049		274,762	1,688,287
Capital Leases	257,394	160,174	80,598	336,970
Compensated Absences	3,958,118	377,663	0	4,335,781
Accrued Wages and Benefits	303,865	10,491	0	314,356
<b>Total General Long-Term Obligations</b>	<b>\$48,425,426</b>	<b>\$548,328</b>	<b>\$1,743,360</b>	<b>\$47,230,394</b>



BEAVERCREEK CITY SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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**12. LONG-TERM OBLIGATIONS CONTINUED**

The general obligation bond issues will be paid through the debt service fund from property taxes collected by the County Auditor.

The capital lease obligation will be repaired from the General Fund. Compensated absences will be paid from the fund from which the person is paid if the funds are available, otherwise, from the General Fund.

The Accrued wages and benefits represents the long-term portion of the pension obligations payable to the School Employees Retirement System.

The School District's principal and interest requirements to retire long-term obligations are as follows:

Fiscal Year Ending June 30	1996 General Obligation Bonds		1998 Energy Conservation Bonds	
	Principal	Interest	Principal	Interest
2000	\$1,310,000	\$2,191,939	85,000	37,652
2001	1,600,000	2,136,919	90,000	34,166
2002	1,775,000	2,067,319	95,000	30,388
2003	385,000	1,988,331	100,000	26,302
2004	565,000	1,957,678	105,000	21,602
Thereafter	<u>33,495,000</u>	<u>24,099,818</u>	<u>340,000</u>	<u>75,185</u>
Total	<u>39,130,000</u>	<u>34,442,004</u>	<u>815,000</u>	<u>225,295</u>

Fiscal Year Ending June 30	EPA Interest- Free Loans		HB 264 Energy Management Loan	
	Principal	Interest	Principal	Interest
2000	138,000		265,779	111,934
2001	118,000		254,403	72,783
2002	118,000		268,633	58,552
2003	118,000		283,358	43,257
2004	118,000		299,526	27,662
Thereafter			<u>316,588</u>	<u>10,906</u>
Total	<u>610,000</u>		<u>1,688,287</u>	<u>325,094</u>

**BEAVERCREEK CITY SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 1999**

**13. TAX ANTICIPATION NOTES PAYABLE**

Notes payable activity for the District for the year ended June 30, 1999 was as follows:

	Principal Outstanding June 30, 1998	Additions	Deductions	Principal Outstanding June 30, 1999
Tax Anticipation Note 1997 5.02%	\$1,300,000		\$300,000	\$1,000,000

Tax anticipation notes are shown as liabilities of the fund which received the note proceeds. Accordingly, all note debt activity has been reported in the General Fund.

**14. SEGMENT INFORMATION**

The School District maintains two Enterprise funds to account for the operations of food service and uniform supplies. The table below reflects in a summarized format the more significant financial data relating to the Enterprise Funds of the District for the fiscal year ended June 30, 1999.

	Food Service	Uniform Supplies	Total
Operating Revenues	\$915,586	\$153,305	\$1,068,891
Operating Expenses before Depreciation	1,251,137	182,495	1,433,632
Depreciation	2,682	0	2,682
Operating Expense (Loss)	(338,233)	(29,190)	(367,423)
Operating Grants and Other non-operating revenue (expenses)	227,777	2,802	230,579
Net Income (Loss) before operating Transfers	(110,456)	(26,388)	(136,844)
Operating Transfers In	0	17,010	17,010
Net Income (Loss)	(110,456)	(9,378)	(119,834)
Net Working Capital	(158,975)	36,079	(122,896)
Total Assets	135,444	39,203	174,647
Total Liabilities	266,415	3,124	269,539
Total Equity	(130,971)	36,079	(94,892)

BEAVERCREEK CITY SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 1999

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**15. JOINTLY GOVERNED ORGANIZATIONS**

Southwest Ohio Educational Purchasing Cooperative

The School District is a member of the Southwestern Ohio Educational Purchasing Cooperative (SOEPC). The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools within geographical boundaries as defined by the SOEPC. SOEPC elects one of its members as Chairperson and another as Vice-Chairperson. An Executive Committee is comprised of eleven members that include the Chairperson and Vice-Chairperson and a representative from the Fiscal Agent. Each new member pays an initiation fee in addition to the annual membership fee and other appropriate assessments.

Greene County Career Center

The Greene County Vocational School District is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the seven participating school district's elected boards, which possesses its own budgeting and taxing authority. To obtain financial information write to the Greene County Career Center, 2960 West Enon Road, Xenia, OH 45385-9545.

**16. INSURANCE PURCHASING POOL**

Southwestern Ohio Educational Purchasing Cooperative Employee Benefit Plan Trust (EPC) – The EPC Benefit Plant Trust (the Plan) is a group purchasing pool consisting of public school districts who are members of the Southwestern Ohio Educational Purchasing Cooperative. The purpose of a group purchasing pool is for members to pool funds or resources to purchase group insurance products to provide health benefits to participants at a lower rate than if the individual districts acted independently.

Each district pays a monthly premium to the Trust Fund for insurance coverage which is provided by Anthem Community Choice or United Health Care. Districts may also contribute monthly to the Trust Fund for dental benefits provided through a self-funded dental plan administered by CoreSource. The Plan is governed by a Board of Trustees elected in accordance with the Trust Agreement and voted on by participating EPC member districts. In fiscal year 1999, Beavercreek City School District contributed \$2,782,489, which represented 6.81 percent of total contributions to that Trust. Financial information can be obtained from Barbara Coriell, who serves as administrator at EPC Benefits Office, 1831 Harshman Road, Dayton, OH 45424.

BEAVERCREEK CITY SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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**17. SIGNIFICANT CONTRACTUAL OBLIGATIONS**

During fiscal year 1996, the District issued bonds for the major renovation of the high school and improvements to all other buildings within the District. The following represents significant contracts and the amounts remaining to be paid at June 30, 1999.

CONTRACTOR	AMOUNT OUTSTANDING
Abell Elevator	9,398
Advanced Training Systems	29,016
Alt & Witzig Engineering	38,504
Ameritech	14,914
Austin Acoustic	8,155
Baker Concrete Construction	42,358
Beckley Cardy	655,750
Bradburn Corporation	1,500
Buckeye Electric	27,758
Central Fire	32,429
Columbus Masonry	28,745
Concord Fabricators, Inc.	50,147
Condor Painting	9,009
Corporate Interior Systems, Inc.	100,080
D.R. Electric, Inc.	165,100
Dalmation Fire Protection Co.	35,326
Demmy Construction, Inc.	68,333
Donnell, Inc.	11,145
DP&L	10,000
Eclectic Company	11,668
Farnham Equipment Co.	582,424
Fayette Drywall	5,000
Firestone, Jaros & Mullin	90,341
Garber Brothers	17,358
Greene County	36,387
H.J. Osterfeld Company	75,344
JMD Architectural	56,639
Joe Becks & Associates	478,651
Kelso, Inc.	143,343
Kenny Houston Construction	50,271
Kenton Structural & Ornamental	58,016
KMCO, Inc.	155,076
Kooglers Suburban	21,800
Lorenz & Williams	73,660
Louis Polster Company	323,004
M & P Construction	14,195
Mardis & Meehan Construction	535,874
Mechanical Systems of Dayton	562,174
Miami Valley Reprographics	19,150
Networks Dynamics	30,000
OK Interiors	129,859
OKI Windows	2,056
Oren Associates	178,271
O'Rourke Construction	17,713
PDQ Electric	21,604
Performance Site Manager	156,325
R.A. Miller	193,782
Reick Mechanical	1,942
Resource International, Inc.	65,518
Ruscilli Construction	176,015
S & H Painting	155,582
Saturn Electric	347,794
Shaw-Bruneman	4,914
Stonecreek Associates	4,573
Superior Mechanical	3,775

BEAVERCREEK CITY SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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**17. SIGNIFICANT CONTRACTUAL OBLIGATIONS CONTINUED**

Waco Scaffolding	5,456
Wagner-Smith	3,627
Ware-Shearer	6,688
Wasserstrom	107,358
Wegner Corporation	240
Weiffenbach Marble & Tile	289,846
Wenco	3,712
Williamson Builders	463,619
<b>Totals</b>	<b>\$7,018,311.00</b>

**18. CONTINGENT LIABILITIES**

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditures 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 affect on the overall financial position of the School District at June 30, 1999.

Litigation

The School District's attorney estimates that any potential claims against the District not covered by insurance resulting from all other litigation would not materially affect the financial statements of the District.

**19. UNCERTAINTIES**

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 that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to this District. During the fiscal year ended June 30, 1999, the District received \$10,546,279 of school foundation support in total (all funds).

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State Legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "through and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. At this time, the Ohio Supreme Court has not rendered an opinion on this issue.

BEAVERCREEK CITY SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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**19. UNCERTAINTIES CONTINUED**

The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

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

**20. YEAR 2000 ISSUE**

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

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

The District uses the Computer Information Management for Schools (CIMS) software for its financial reporting, payroll and employee benefits. The District is working with the vendor to remediate these systems.

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

The County collects property taxes for distribution to the District. The County is responsible for remediating the tax collection system and is solely responsible for all associated costs.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter.

Management cannot assure that the District is or will be Year 2000 ready, that the District's remediation efforts will be successful in whole or in part, or that parties with whom the District does business will be Year 2000 ready.

**21. FUND DEFICITS**

The following fund had a deficit retained earnings balance as of June 30, 1999:

BEAVERCREEK CITY SCHOOL DISTRICT  
GREENE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 1999

**21. FUND DEFICITS CONTINUED**

Enterprise Fund (\$94,892)

The deficit in the Enterprise Fund is expected to be provided for through future revenues.

**22. STATUTORY RESERVES**

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

	Textbook Reserve	Capital Maintenance Reserve	Budget Stabilization Reserve
Balance, Beginning of Year	0	0	429,101
Required Set-Aside	658,825	658,825	329,412
Offset Credits	(99,736)	(300,990)	0
Qualifying Expenditures	(559,089)	(357,835)	0
Balance, End of Year	0	0	758,513

Expenditures for textbook activity during the year totaled \$1,223,456, which exceeded the amount required for the set-aside.

Expenditures for capital activity during the year totaled \$1,192,506, which exceeded the amount required for the set-aside.

**BEAVERCREEK CITY SCHOOL DISTRICT**

**Single Audit Report**

**June 30, 1999**



**PLATTENBURG & ASSOCIATES, INC.**  
CERTIFIED PUBLIC ACCOUNTANTS  
CINCINNATI/DAYTON



**BEAVERCREEK CITY SCHOOL DISTRICT**

**Single Audit Reports**

**June 30, 1999**



**PLATTENBURG & ASSOCIATES, INC./CERTIFIED PUBLIC ACCOUNTANTS**

8280 MONTGOMERY ROAD, SUITE 210 / CINCINNATI, OH 45236 • (513) 891-2722 • FAX (513) 891-2760  
2211 SOUTH DIXIE AVENUE / DAYTON, OH 45409 • (937) 294-1505 • FAX (937) 294-1507

**Report on compliance and on internal control over financial reporting  
based on an audit of financial statements performed in accordance with  
*Government Auditing Standards***

December 3, 1999

Board of Education  
Beavercreek City School District

We have audited the general purpose financial statements of the Beavercreek City School District, (the District), as of and for the year ended June 30, 1999, and have issued our report thereon dated December 3, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

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.

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 over financial reporting that might be material weaknesses. We noted no matters involving the internal control over financial reporting that we consider to be material weaknesses.

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

A handwritten signature in cursive script, appearing to read "Plattenburg & Associates, Inc.", written in black ink.

Plattenburg & Associates, Inc.  
Certified Public Accountants



**Report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133**

December 3, 1999

Board of Education  
Beavercreek City School District

Compliance

We have audited the compliance of the District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 1999. The District's major federal program is identified in the summary of auditor's results portion of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulation, contracts and grants applicable to each of its major federal programs 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 with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 1999.

### Internal Control Over Compliance

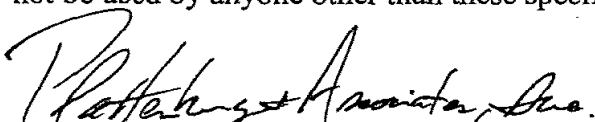
The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over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

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

### Schedule of Federal Awards Expenditures

We have audited the general purpose financial statements of the District as of and for the year ended June 30, 1999, and have issued our report thereon dated December 3, 1999. Our audit was made 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 expenditures is presented for purposes of additional analysis as required by *OMB Circular A-133* 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.

This report is intended for the information of management, Board of Education, the Auditor of State, 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.

  
Plattenburg & Associates, Inc.  
Certified Public Accountants

**BEAVERCREEK CITY SCHOOL DISTRICT**  
**SCHEDULE OF FEDERAL AWARDS EXPENDITURES**  
**FOR THE YEAR ENDED June 30, 1999**

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
Passed Through Ohio Department of Education:						
Nutrition Cluster:						
Food Distribution Program	NN-N1	10.550	\$0	\$94,410	\$0	\$94,410
National School Lunch Program	04-PU	10.555	107,250	0	107,250	0
Total U.S. Department of Agriculture - Nutrition Cluster			107,250	94,410	107,250	94,410
<b>U.S. DEPARTMENT OF EDUCATION</b>						
Passed Through Ohio Department of Education:						
Special Education Cluster:						
Title VI - B Grant	6B-SF	84.027	297,592	0	253,566	0
Preschool Grant	PG-S1	84.173	28,899	0	31,733	0
Total Special Education Cluster			326,491	0	285,299	0
Eisenhower Grant	MS-S1	84.281	19,875	0	21,776	0
Title I Grant	C1-S1	84.010	264,711	0	239,361	0
Title VI	C2-S1	84.298	31,407	0	35,352	0
Drug Free Schools Grant	DR-S1	84.186	44,975	0	37,347	0
Total Department of Education			687,459	0	619,135	0
<b>DIRECT PROGRAMS</b>						
<b>U.S. DEPARTMENT OF EDUCATION</b>						
Impact Aid Grant	n/a	84.041	126,356	0	126,356	0
Total Department of Education - Direct			126,356	0	126,356	0
Total Federal Assistance			\$921,065	\$94,410	\$852,741	\$94,410

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES**

**NOTE A -- SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B -- FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. Monies are commingled with state grants, and it is assumed that federal monies are expended first.

BEAVERCREEK CITY SCHOOL DISTRICT

June 30, 1999

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

1. SUMMARY OF AUDITOR'S RESULTS

(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)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(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?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under Section .510?	No
(d)(1)(vii)	Major Programs (list):	Title 1
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None Noted

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None Noted

**BEAVERCREEK CITY SCHOOL DISTRICT**  
**JUNE 30, 1999**

**SCHEDULE OF PRIOR AUDIT AND QUESTIONED COSTS**  
***OMB CIRCULAR A-133***

Beavercreek City School District had no prior audit findings or questioned costs.





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

BEAVERCREEK CITY SCHOOL DISTRICT  
GREENE COUNTY

CLERK'S CERTIFICATION

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

By: *Susan Babbitt*

Date: JAN 27 2000