



**BELPRE CITY SCHOOL DISTRICT  
WASHINGTON COUNTY**

**SINGLE AUDIT**

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



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

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**STATE OF OHIO**



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STATE OF OHIO  
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## REPORT OF INDEPENDENT ACCOUNTANTS

Belpre City School District  
Washington County  
2014 Washington Boulevard  
Belpre, Ohio 45714

To the Board of Education:

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

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

As described in Note 3 to the accompanying general purpose financial statements, during the year ended June 30, 1999, the School District changed its method of accounting and financial reporting for its Internal Revenue Code Section 457 Deferred Compensation Plans.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 1999, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the School District, taken as a whole. The accompanying Schedule of Federal Awards Receipts and Expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

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**JIM PETRO**  
Auditor of State

November 30, 1999

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

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
<u>Assets and Other Debits:</u>			
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$460,553	\$213,988	\$77,470
Investments	0	0	0
Cash and Cash Equivalents in Segregated Accounts	0	227	0
Receivables:			
Taxes	4,898,743	0	0
Accounts	3,133	2,524	0
Intergovernmental	139,534	2,607	0
Accrued Interest	0	0	0
Interfund	5,000	0	0
Prepaid Items	61,730	4,116	0
Inventory Held for Resale	0	0	0
Materials and Supplies Inventory	0	0	0
Restricted Cash and Cash Equivalents	141,190	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0
<u>Other Debits:</u>			
Amount to be Provided from General Government Resources	0	0	0
 Total Assets and Other Debits	 \$5,709,883	 \$223,462	 \$77,470



Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$26,033	\$15,106	\$0	\$0	\$793,150
0	14,278	0	0	14,278
0	0	0	0	227
0	0	0	0	4,898,743
392	0	0	0	6,049
0	0	0	0	142,141
0	105	0	0	105
0	0	0	0	5,000
1,236	0	0	0	67,082
2,293	0	0	0	2,293
726	0	0	0	726
0	0	0	0	141,190
3,319	0	4,784,387	0	4,787,706
0	0	0	710,379	710,379
<u>\$33,999</u>	<u>\$29,489</u>	<u>\$4,784,387</u>	<u>\$710,379</u>	<u>\$11,569,069</u>

(continued)

Belpre City School District, Ohio  
 Combined Balance Sheet  
 All Fund Types and Account Groups (Continued)  
 June 30, 1999

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Liabilities, Fund Equity <u>and Other Credits:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$19,512	\$8,083	\$2,049
Accrued Wages and Benefits Payable	771,707	69,018	0
Compensated Absences Payable	61,592	0	0
Interfund Payable	0	5,000	0
Intergovernmental Payable	139,229	9,639	0
Deferred Revenue	4,615,689	0	0
Due to Students	0	0	0
Accrued Interest Payable	2,256	0	0
Capital Leases Payable	0	0	0
Energy Conservation Loan Payable	69,943	0	0
	5,679,928	91,740	2,049
Total Liabilities			
<u>Fund Equity and Other Credits:</u>			
Investment in General Fixed Assets	0	0	0
Contributed Capital	0	0	0
Retained Earnings:			
Unreserved (Deficit)	0	0	0
Fund Balance:			
Reserved for Encumbrances	70,658	34,745	11,362
Reserved for Unclaimed Monies	1,790	0	0
Reserved for Endowment	0	0	0
Reserved for Property Taxes	24,391	0	0
Reserved for Capital Improvements	37,388	0	0
Reserved for Budget Stabilization	103,802	0	0
Unreserved:			
Undesignated (Deficit)	(208,074)	96,977	64,059
	29,955	131,722	75,421
Total Fund Equity (Deficit) and Other Credits			
Total Liabilities, Fund Equity and Other Credits	\$5,709,883	\$223,462	\$77,470

See accompanying notes to the general purpose financial statements

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$96	\$0	\$0	\$0	\$29,740
15,831	0	0	0	856,556
10,153	0	0	649,244	720,989
0	0	0	0	5,000
14,027	0	0	54,010	216,905
1,312	0	0	0	4,617,001
0	15,106	0	0	15,106
0	0	0	0	2,256
0	0	0	7,125	7,125
0	0	0	0	69,943
<u>41,419</u>	<u>15,106</u>	<u>0</u>	<u>710,379</u>	<u>6,540,621</u>
0	0	4,784,387	0	4,784,387
122,400	0	0	0	122,400
(129,820)	0	0	0	(129,820)
0	0	0	0	116,765
0	0	0	0	1,790
0	14,278	0	0	14,278
0	0	0	0	24,391
0	0	0	0	37,388
0	0	0	0	103,802
0	105	0	0	(46,933)
<u>(7,420)</u>	<u>14,383</u>	<u>4,784,387</u>	<u>0</u>	<u>5,028,448</u>
<u>\$33,999</u>	<u>\$29,489</u>	<u>\$4,784,387</u>	<u>\$710,379</u>	<u>\$11,569,069</u>

Belpre City School District, Ohio  
 Combined Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 All Governmental Fund Types  
 For the Fiscal Year Ended June 30, 1999

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<u>Revenues:</u>				
Taxes	\$4,659,711	\$0	\$0	\$4,659,711
Intergovernmental	2,511,735	576,255	36,288	3,124,278
Interest	69,439	0	0	69,439
Tuition and Fees	23,474	0	0	23,474
Extracurricular Activities	0	100,965	0	100,965
Miscellaneous	15,375	24,469	0	39,844
<b>Total Revenues</b>	<b>7,279,734</b>	<b>701,689</b>	<b>36,288</b>	<b>8,017,711</b>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	3,415,906	91,199	0	3,507,105
Special	419,279	331,928	0	751,207
Vocational	145,036	0	0	145,036
Other	71,545	0	0	71,545
Support Services:				
Pupils	477,877	43,575	0	521,452
Instructional Staff	165,329	63,729	0	229,058
Board of Education	23,850	0	0	23,850
Administration	753,032	34,756	0	787,788
Fiscal	264,926	0	0	264,926
Operation and Maintenance of Plant	625,195	0	0	625,195
Pupil Transportation	255,933	0	0	255,933
Central	324	0	0	324
Non-Instructional Services	3,519	0	0	3,519
Extracurricular Activities	125,469	75,953	0	201,422
Capital Outlay	18,000	0	143,070	161,070
Debt Service:				
Principal Retirement	4,670	0	0	4,670
Interest and Fiscal Charges	8,069	0	0	8,069
<b>Total Expenditures</b>	<b>6,777,959</b>	<b>641,140</b>	<b>143,070</b>	<b>7,562,169</b>
Excess of Revenues Over (Under) Expenditures	501,775	60,549	(106,782)	455,542
<u>Other Financing Sources (Uses):</u>				
Inception of Capital Lease	5,905	0	0	5,905
Operating Transfers In	0	1,000	0	1,000
Operating Transfers Out	(6,250)	0	0	(6,250)
<b>Total Other Financing Sources (Uses)</b>	<b>(345)</b>	<b>1,000</b>	<b>0</b>	<b>655</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	501,430	61,549	(106,782)	456,197
Fund Balances (Deficit) at Beginning of Year	(471,475)	70,173	182,203	(219,099)
<b>Fund Balances at End of Year</b>	<b>\$29,955</b>	<b>\$131,722</b>	<b>\$75,421</b>	<b>\$237,098</b>

See accompanying notes to the general purpose financial statements

Belpre City School District, Ohio  
 Combined Statement of Revenues, Expenditures and Changes  
 In Fund Balances - Budget and Actual (Budget Basis)  
 All Governmental Fund Types  
 For the Fiscal Year Ended June 30, 1999

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$4,378,376	\$4,370,956	(\$7,420)
Intergovernmental	2,377,398	2,372,757	(4,641)
Interest	70,000	68,815	(1,185)
Tuition and Fees	17,000	21,142	4,142
Extracurricular Activities	0	0	0
Miscellaneous	8,000	9,849	1,849
<b>Total Revenues</b>	<b>6,850,774</b>	<b>6,843,519</b>	<b>(7,255)</b>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	3,578,231	3,431,078	147,153
Special	445,864	431,027	14,837
Vocational	165,320	154,136	11,184
Other	92,496	75,631	16,865
Support Services:			
Pupils	492,315	478,863	13,452
Instructional Staff	169,173	164,067	5,106
Board of Education	39,012	34,843	4,169
Administration	798,368	762,060	36,308
Fiscal	309,040	291,545	17,495
Operation and Maintenance of Plant	684,798	625,242	59,556
Pupil Transportation	349,500	263,386	86,114
Central	500	324	176
Non-Instructional Services	3,045	3,036	9
Extracurricular Activities	134,901	125,088	9,813
Capital Outlay	35,000	20,000	15,000
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<b>Total Expenditures</b>	<b>7,297,563</b>	<b>6,860,326</b>	<b>437,237</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(446,789)</b>	<b>(16,807)</b>	<b>429,982</b>
<u>Other Financing Sources (Uses):</u>			
Refund of Prior Year Expenditures	11,000	19,366	8,366
Proceeds from Sale of Fixed Assets	300	262	(38)
Advances In	0	0	0
Advances Out	(5,000)	(5,000)	0
Operating Transfers In	0	0	0
Operating Transfers Out	(2,000)	(6,250)	(4,250)
<b>Total Other Financing Sources (Uses)</b>	<b>4,300</b>	<b>8,378</b>	<b>4,078</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(442,489)</b>	<b>(8,429)</b>	<b>434,060</b>
Fund Balances at Beginning of Year	456,602	456,602	0
Prior Year Encumbrances Appropriated	61,513	61,513	0
<b>Fund Balances at End of Year</b>	<b>\$75,626</b>	<b>\$509,686</b>	<b>\$434,060</b>

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Belpre City School District, Ohio  
 Combined Statement of Revenues, Expenditures and Changes  
 In Fund Balances - Budget and Actual (Budget Basis)  
 All Governmental Fund Types (Continued)  
 For the Fiscal Year Ended June 30, 1999

	Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$0	\$0	\$0
Intergovernmental	549,626	579,048	29,422
Interest	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	83,600	100,065	16,465
Miscellaneous	31,600	18,810	(12,790)
<b>Total Revenues</b>	<b>664,826</b>	<b>697,923</b>	<b>33,097</b>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	120,799	92,707	28,092
Special	355,481	324,462	31,019
Vocational	0	0	0
Other	0	0	0
Support Services:			
Pupils	57,444	45,416	12,028
Instructional Staff	76,144	68,131	8,013
Board of Education	0	0	0
Administration	42,022	35,108	6,914
Fiscal	0	0	0
Operation and Maintenance of Plant	0	0	0
Pupil Transportation	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	119,013	109,794	9,219
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<b>Total Expenditures</b>	<b>770,903</b>	<b>675,618</b>	<b>95,285</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(106,077)</b>	<b>22,305</b>	<b>128,382</b>
<u>Other Financing Sources (Uses):</u>			
Refund of Prior Year Expenditures	0	4,120	4,120
Proceeds from Sale of Fixed Assets	0	0	0
Advances In	5,000	5,000	0
Advances Out	0	0	0
Operating Transfers In	0	1,000	1,000
Operating Transfers Out	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>5,000</b>	<b>10,120</b>	<b>5,120</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(101,077)</b>	<b>32,425</b>	<b>133,502</b>
Fund Balances at Beginning of Year	102,432	102,432	0
Prior Year Encumbrances Appropriated	37,872	37,872	0
<b>Fund Balances at End of Year</b>	<b>\$39,227</b>	<b>\$172,729</b>	<b>\$133,502</b>

Debt Service Fund			Capital Projects Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$50,360	\$50,360	\$0	\$0	\$0	\$0
0	0	0	0	36,288	36,288
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
50,360	50,360	0	0	36,288	36,288
0	0	0	182,630	154,809	27,821
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
42,311	42,311	0	0	0	0
8,049	8,049	0	0	0	0
50,360	50,360	0	182,630	154,809	27,821
0	0	0	(182,630)	(118,521)	64,109
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	(182,630)	(118,521)	64,109
0	0	0	179,863	179,863	0
0	0	0	2,767	2,767	0
\$0	\$0	\$0	\$0	\$64,109	\$64,109

(continued)

Belpre City School District, Ohio  
 Combined Statement of Revenues, Expenditures and Changes  
 In Fund Balances - Budget and Actual (Budget Basis)  
 All Governmental Fund Types (Continued)  
 For the Fiscal Year Ended June 30, 1999

	Totals (Memorandum Only)		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$4,428,736	\$4,421,316	(\$7,420)
Intergovernmental	2,927,024	2,988,093	61,069
Interest	70,000	68,815	(1,185)
Tuition and Fees	17,000	21,142	4,142
Extracurricular Activities	83,600	100,065	16,465
Miscellaneous	39,600	28,659	(10,941)
<b>Total Revenues</b>	<b>7,565,960</b>	<b>7,628,090</b>	<b>62,130</b>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	3,881,660	3,678,594	203,066
Special	801,345	755,489	45,856
Vocational	165,320	154,136	11,184
Other	92,496	75,631	16,865
Support Services:			
Pupils	549,759	524,279	25,480
Instructional Staff	245,317	232,198	13,119
Board of Education	39,012	34,843	4,169
Administration	840,390	797,168	43,222
Fiscal	309,040	291,545	17,495
Operation and Maintenance of Plant	684,798	625,242	59,556
Pupil Transportation	349,500	263,386	86,114
Central	500	324	176
Operation of Non-Instructional Services	3,045	3,036	9
Extracurricular Activities	253,914	234,882	19,032
Capital Outlay	35,000	20,000	15,000
Debt Service:			
Principal Retirement	42,311	42,311	0
Interest and Fiscal Charges	8,049	8,049	0
<b>Total Expenditures</b>	<b>8,301,456</b>	<b>7,741,113</b>	<b>560,343</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(735,496)</b>	<b>(113,023)</b>	<b>622,473</b>
<u>Other Financing Sources (Uses):</u>			
Refund of Prior Year Expenditures	11,000	23,486	12,486
Proceeds from Sale of Fixed Assets	300	262	(38)
Advances In	5,000	5,000	0
Advances Out	(5,000)	(5,000)	0
Operating Transfers In	0	1,000	1,000
Operating Transfers Out	(2,000)	(6,250)	(4,250)
<b>Total Other Financing Sources (Uses)</b>	<b>9,300</b>	<b>18,498</b>	<b>9,198</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(726,196)</b>	<b>(94,525)</b>	<b>631,671</b>
Fund Balances at Beginning of Year	738,897	738,897	0
Prior Year Encumbrances Appropriated	102,152	102,152	0
<b>Fund Balances at End of Year</b>	<b>\$114,853</b>	<b>\$746,524</b>	<b>\$631,671</b>

See accompanying notes to the general purpose financial statements



Belpre City School District, Ohio  
 Combined Statement of Revenues,  
 Expenses, and Changes in Retained Earnings  
 Proprietary Fund Type and Non-Expendable Trust Fund  
 For the Fiscal Year Ended June 30, 1999

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	Enterprise	Non-Expendable Trust	
<u>Operating Revenues:</u>			
Tuition	\$32,136	\$0	\$32,136
Sales	89,496	0	89,496
Interest	0	672	672
	<u>121,632</u>	<u>672</u>	<u>122,304</u>
Total Operating Revenues			
<u>Operating Expenses:</u>			
Salaries	70,138	0	70,138
Fringe Benefits	34,146	0	34,146
Purchased Services	11,070	0	11,070
Materials and Supplies	23,597	0	23,597
Cost of Sales	71,508	0	71,508
Depreciation	1,216	0	1,216
	<u>211,675</u>	<u>0</u>	<u>211,675</u>
Total Operating Expenses			
Operating Income (Loss)	<u>(90,043)</u>	<u>672</u>	<u>(89,371)</u>
<u>Non-Operating Revenues:</u>			
Federal Donated Commodities	14,459	0	14,459
Interest Income	178	0	178
Operating Grants	66,927	0	66,927
	<u>81,564</u>	<u>0</u>	<u>81,564</u>
Total Non-Operating Revenues			
Net Income (Loss) before Operating Transfers	(8,479)	672	(7,807)
Operating Transfers In	<u>5,250</u>	<u>0</u>	<u>5,250</u>
Net Income (Loss)	(3,229)	672	(2,557)
Retained Earnings (Deficit)/Fund Balance at Beginning of Year	<u>(126,591)</u>	<u>13,711</u>	<u>(112,880)</u>
Retained Earnings (Deficit)/Fund Balance at End of Year	<u>(\$129,820)</u>	<u>\$14,383</u>	<u>(\$115,437)</u>

See accompanying notes to the general purpose financial statements

Belpre City School District, Ohio  
 Combined Statement of Revenues, Expenses, and  
 Changes in Fund Equity - Budget and Actual (Budget Basis)  
 Proprietary Fund Type and Non-Expendable Trust Fund  
 For the Fiscal Year Ended June 30, 1999

	<u>Enterprise Funds</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Tuition	\$31,000	\$31,744	\$744
Sales	87,500	90,310	2,810
Interest	0	115	115
Operating Grants	64,000	66,927	2,927
 Total Revenues	 <u>182,500</u>	 <u>189,096</u>	 <u>6,596</u>
<u>Expenses:</u>			
Salaries	73,400	71,674	1,726
Fringe Benefits	32,230	30,259	1,971
Purchased Services	12,157	11,702	455
Materials and Supplies	86,343	80,751	5,592
Other	0	0	0
Capital Outlay	1,490	1,313	177
 Total Expenses	 <u>205,620</u>	 <u>195,699</u>	 <u>9,921</u>
Excess of Revenues Over (Under) Expenses	(23,120)	(6,603)	16,517
Operating Transfers In	<u>0</u>	<u>5,250</u>	<u>5,250</u>
Excess of Revenues Over (Under) Expenses and Operating Transfers	(23,120)	(1,353)	21,767
Fund Equity at Beginning of Year	25,704	25,704	0
Prior Year Encumbrances Appropriated	<u>1,500</u>	<u>1,500</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$4,084</u></u>	<u><u>\$25,851</u></u>	<u><u>\$21,767</u></u>

See accompanying notes to the general purpose financial statements

Non-Expendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$31,000	\$31,744	\$744
0	0	0	87,500	90,310	2,810
600	675	75	600	790	190
0	0	0	64,000	66,927	2,927
600	675	75	183,100	189,771	6,671
0	0	0	73,400	71,674	1,726
0	0	0	32,230	30,259	1,971
0	0	0	12,157	11,702	455
0	0	0	86,343	80,751	5,592
730	0	730	730	0	730
0	0	0	1,490	1,313	177
730	0	730	206,350	195,699	10,651
(130)	675	805	(23,250)	(5,928)	17,322
0	0	0	0	5,250	5,250
(130)	675	805	(23,250)	(678)	22,572
13,603	13,603	0	39,307	39,307	0
0	0	0	1,500	1,500	0
<u>\$13,473</u>	<u>\$14,278</u>	<u>\$805</u>	<u>\$17,557</u>	<u>\$40,129</u>	<u>\$22,572</u>

Belpre City School District, Ohio  
 Combined Statement of Cash Flows  
 Proprietary Fund Type and Non-Expendable Trust Fund  
 For the Fiscal Year Ended June 30, 1999

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Non-Expendable Trust	
Increase (Decrease) in			
<u>Cash and Cash Equivalents:</u>			
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$90,310	\$0	\$90,310
Cash Received from Tuition Payments	31,744	0	31,744
Cash Payments to Suppliers for Goods and Services	(92,334)	0	(92,334)
Cash Payments for Employee Services	(71,674)	0	(71,674)
Cash Payments for Employee Benefits	(30,259)	0	(30,259)
Net Cash Used for Operating Activities	(72,213)	0	(72,213)
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating Transfers In	5,250	0	5,250
Operating Grants Received	66,927	0	66,927
Net Cash Provided by Noncapital Financing Activities	72,177	0	72,177
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition of Capital Assets	(1,313)	0	(1,313)
Net Cash Used for Capital and Related Financing Activities	(1,313)	0	(1,313)
<u>Cash Flows from Investing Activities:</u>			
Purchase of Investments	0	(675)	(675)
Interest on Investments	178	675	853
Net Cash from Investing Activities	178	0	178
Net Decrease in Cash and Cash Equivalents	(1,171)	0	(1,171)
Cash and Cash Equivalents at Beginning of Year	27,204	0	27,204
Cash and Cash Equivalents at End of Year	\$26,033	\$0	\$26,033
Reconciliation of Operating Income (Loss) to Net			
<u>Cash Used for Operating Activities:</u>			
Operating Income (Loss)	(\$90,043)	\$672	(\$89,371)
Adjustments to Reconcile Operating Income (Loss) to			
<u>Net Cash Used for Operating Activities:</u>			
Depreciation	1,216	0	1,216
Donated Commodities Used During Year	14,459	0	14,459
Interest Income	0	(672)	(672)
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(392)	0	(392)
Decrease in Intergovernmental Receivables	814	0	814
Decrease in Prepaid Items	553	0	553
Increase in Inventory Held for Resale	(201)	0	(201)
Decrease in Materials and Supplies Inventory	162	0	162
Decrease in Accounts Payable	(97)	0	(97)
Decrease in Accrued Wages and Benefits Payable	(572)	0	(572)
Decrease in Compensated Absences Payable	(1,364)	0	(1,364)
Increase in Intergovernmental Payable	3,252	0	3,252
Total Adjustments	17,830	(672)	17,158
Net Cash Used for Operating Activities	(\$72,213)	\$0	(\$72,213)

See accompanying notes to the general purpose financial statements

**Belpre City School District, Ohio**  
Notes to the General Purpose Financial Statements  
for the Fiscal Year Ended June 30, 1999

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**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

The Belpre City School District, Washington County, (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by state statute and/or federal guidelines. The Board controls the School District's four instructional/support facilities staffed by 53 classified employees, 98 certified teaching personnel, and 7 administrators, who provide services to 1,406 students and other community members.

The Belpre City School District was established July 1, 1961, when the population of the City exceeded 5,000 residents. Prior to this, it was known as the Belpre Exempted Village School District.

**Reporting Entity**

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the 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 that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. No separate governmental units meet the criteria for inclusion as a component unit.

The following potential component units have been excluded from the School District's financial statements:

Belpre Township  
Washington County Educational Service Center  
Southeast Ohio - Special Education Regional Resource Center  
Athletic, Band, Choir and Academic Boosters; Parent-Teacher Organizations

The School District is associated with the Southeast Ohio Voluntary Educational Consortium, the Washington County Joint Vocational School, and the Coalition of Rural and Appalachian Schools, which are defined as jointly governed organizations, and the Ohio School Boards Association Workers' Compensation Group Rating Program, an insurance purchasing pool. These organizations are presented in Notes 20 and 21.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Belpre City School District, Ohio**  
Notes to the General Purpose Financial Statements  
for the Fiscal Year Ended June 30, 1999

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**A. Basis Of Presentation - Fund Accounting**

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

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

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

**Governmental Fund Types:**

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

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

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

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

**Capital Projects 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).

**Proprietary Fund Type:**

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

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

**Fiduciary Fund Types:**

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

**Belpre City School District, Ohio**  
Notes to the General Purpose Financial Statements  
for the Fiscal Year Ended June 30, 1999

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**Account Groups:**

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

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

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

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types 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 proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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

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

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

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 1999, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2000 operations, have been recorded as deferred revenue.

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

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

**Belpre City School District, Ohio**  
Notes to the General Purpose Financial Statements  
for the Fiscal Year Ended June 30, 1999

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**C. Budgetary Data**

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

All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the function level within each fund. Any budgetary modifications at this level may only be made by resolution of the Board of Education. Advances in and advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid. The School District budgeted for all advances.

**Tax Budget:**

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Washington County Budget Commission for rate determination.

**Estimated Resources:**

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing 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 any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 1999.

**Appropriations:**

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund and function level, 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, must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant.

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



**Belpre City School District, Ohio**  
Notes to the General Purpose Financial Statements  
for the Fiscal Year Ended June 30, 1999

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**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. Expenditures plus encumbrances may not legally exceed appropriations. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

**Lapsing of Appropriations:**

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

**D. Cash and Cash Equivalents**

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

During fiscal year 1999, investments were limited to certificates of deposit, which are reported at cost, and STAR Ohio.

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 1999 amounted to \$69,439, which includes \$22,975 assigned from other School District funds.

The School District has segregated bank accounts for monies held separate from the School District's central bank account. These interest bearing depository accounts are presented on the combined balance sheet as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the School District treasury.

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

**E. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by statute to be set-aside by the School District for the acquisition or construction of capital assets and to create a reserve for budget stabilization. See Note 17 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

**Belpre City School District, Ohio**  
Notes to the General Purpose Financial Statements  
for the Fiscal Year Ended June 30, 1999

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**F. Inventory**

Inventories of proprietary funds are stated at the lower of cost or market. Cost is determined on a first-in, first-out basis. Inventories of the proprietary fund consist of donated food, purchased food and supplies inventory.

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 1999, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed.

**H. Fixed Assets and Depreciation**

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

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

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the enterprise funds is computed using the straight-line method over an estimated useful life of ten to twenty years. All depreciation is closed to retained earnings.

**I. Intergovernmental Revenues**

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

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

**Entitlements**

***General Fund:***

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

***Special Revenue Funds:***

- Disadvantaged Pupil Impact Aid

**Belpre City School District, Ohio**  
Notes to the General Purpose Financial Statements  
for the Fiscal Year Ended June 30, 1999

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**Nonreimbursable Grants**

***Special Revenue Funds:***

- Education Management Information Systems
- Eisenhower Math and Science Grant
- Title I
- Title VI
- Title VI-B
- Drug Free Schools
- Venture Capital Grant
- Wellness Block Grant
- Child Care and Development Grant
- School to Work Grant
- Teacher Development Grant
- Training Ohio's Parents for Success
- Martha Holden Jennings Grant
- Model Projects for Gifted Education
- Schools on the Move
- Textbook Subsidy
- School Net Professional Development Block Grant
- Learn and Serve America Grant

***Capital Projects Fund:***

- School Net Plus

**Reimbursable Grants**

***Enterprise Funds:***

- National School Lunch Program
- Government Donated Commodities

Grants and entitlements received in governmental funds amounted to approximately 39 percent of the School District's governmental fund operating revenue during the 1999 fiscal year.

**J. Interfund Assets/Liabilities**

Short-term interfund loans are classified as "interfund receivables/payables".

**K. Compensated Absences**

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

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

**Belpre City School District, Ohio**  
Notes to the General Purpose Financial Statements  
for the Fiscal Year Ended June 30, 1999

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

**L. Accrued Liabilities and Long-Term Obligations**

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, 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. In general, payments made more than sixty days after year end are considered not to have been paid using current available financial resources. Capital leases are reported as a liability of the general long-term obligations account group until due. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

**M. Interfund Transactions**

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

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

**N. Fund Balance Reserves**

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

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures. Under Ohio law, unclaimed money must be held for five years before it becomes available for appropriation. Money not yet held for the five year period is presented as reserved. The reserve for endowments signifies the legal restrictions on the use of principal.

**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. Contributed Capital**

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

**Belpre City School District, Ohio**  
Notes to the General Purpose Financial Statements  
for the Fiscal Year Ended June 30, 1999

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Because the School District did not prepare financial statements in accordance with generally accepted accounting principles prior to fiscal year 1994, the exact amount of contributed capital cannot be determined. Consequently, only those amounts that have been specifically identified have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to proprietary funds have been classified as retained earnings. There was no change in contributed capital during fiscal year 1999.

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

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

**NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES**

*GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans"* provides accounting for deferred compensation plans. The School District participates in the Ohio Public Employees Deferred Compensation Program. During 1998, the Ohio Public Employees Deferred Compensation Program created a trust for the assets of the plan for which the School District has no fiduciary responsibility. Therefore, plan assets are no longer presented on the balance sheet.

**NOTE 4 - ACCOUNTABILITY AND COMPLIANCE**

**A. Fund Deficits**

At June 30, 1999, the Disadvantaged Pupil Impact Aid Special Revenue Fund had a deficit fund balance of \$9,221. The deficit in the Special Revenue Fund resulted from expenditures made in excess of available revenues. The General Fund is liable for any deficit in this fund and provides operating transfers when cash is required, not when accruals occur.

The Food Service Enterprise Fund had deficit retained earnings of \$142,078. The deficit is the result of accumulated losses. The School District is analyzing fund operations to determine appropriate steps to alleviate the deficit.

**B. Legal Compliance**

Contrary to Section 5705.41(B), Ohio Revised Code, the following accounts had expenditures plus encumbrances in excess of appropriations:

<u>Fund/Function/Object</u>	<u>Appropriations</u>	<u>Expenditures Plus Encumbrances</u>	<u>Excess</u>
General Fund:			
Transfers Out	\$2,000	\$6,250	\$4,250

**Belpre City School District, Ohio**  
Notes to the General Purpose Financial Statements  
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**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING**

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund type (GAAP basis).
4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. Proceeds from and principal payments on bond and revenue anticipation notes are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
6. The School District repays short-term note debt from the debt service fund (budget basis) as opposed to the fund that received the proceeds (GAAP basis). Debt service fund resources used to pay both principal and interest have been allocated accordingly.

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

**Belpre City School District, Ohio**  
Notes to the General Purpose Financial Statements  
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Excess of Revenues and Other Financing Sources  
Over (Under) Expenditures and Other Financing Uses  
All Governmental Fund Types

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
GAAP Basis	\$501,430	\$61,549	\$0	(\$106,782)
Net Adjustment for Revenue Accruals	(367,967)	581	0	0
Unreported Items	(4,165)	0	0	0
Segregated Accounts	0	(227)	0	0
Debt Service:				
Principal	0	0	(42,311)	0
Interest	6,675	0	(8,049)	0
Advances In	0	5,000	0	0
Adjustments for Reclassification from Debt Service Fund to General Fund	(50,360)	0	50,360	0
Net Adjustment for Expenditure Accruals	(1,150)	6,781	0	1,622
Advances Out	(5,000)	0	0	0
Encumbrances	<u>(87,892)</u>	<u>(41,259)</u>	<u>0</u>	<u>(13,361)</u>
Budget Basis	<u><u>(\$8,429)</u></u>	<u><u>\$32,425</u></u>	<u><u>\$0</u></u>	<u><u>(\$118,521)</u></u>

**Belpre City School District, Ohio**  
Notes to the General Purpose Financial Statements  
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Net Income(Loss)/Excess of Revenues  
Over (Under)Expenses and Operating Transfers  
Proprietary Fund Type and Non-Expendable Trust Fund

	<u>Enterprise</u>	<u>Non-Expendable Trust</u>
GAAP Basis	(\$3,229)	\$672
Net Adjustment for Revenue Accrual	422	3
Unreported Items	(63)	0
Net Adjustment for Expense Accrual	1,733	0
Capital Outlay	(1,313)	0
Depreciation Expense	1,216	0
Encumbrances	(119)	0
Budget Basis	(\$1,353)	\$675

**NOTE 6 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;



**Belpre City School District, Ohio**  
Notes to the General Purpose Financial Statements  
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2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and
8. Under limited circumstances, corporate debt interest rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

**Cash on Hand:**

At fiscal year end, the School District had \$270 in undeposited cash on hand which is included on the balance sheet of the School District as part of "equity in pooled cash and cash equivalents."

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

**Deposits:**

At fiscal year end, the carrying amount of the School District's deposits was \$315,373 and the bank balance was \$471,421. Of the bank balance, \$135,362 was covered by federal depository insurance and \$336,059 was uninsured and uncollateralized. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District held to a successful claim by the FDIC.

**Belpre City School District, Ohio**  
Notes to the General Purpose Financial Statements  
for the Fiscal Year Ended June 30, 1999

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**Investments:**

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

	Fair Value
STAR Ohio	\$633,202

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

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

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$934,567	\$14,278
Cash on Hand	(270)	0
Investments:		
STAR Ohio	(633,202)	633,202
Certificates of Deposit	14,278	(14,278)
GASB Statement 3	\$315,373	\$633,202

**NOTE 7 - PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property, and tangible personal (used in business) property located in the School District. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years.

Real and public utility property taxes are payable annually and semi-annually. If paid annually, payment is due December 31. If paid semi-annually, the first payment is due December 31, with the remainder payable by June 20, unless extended. Under certain circumstances, State statute permits earlier or later payment dates to be established. Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the rates determined in the preceding year.

Tangible personal property used in business (except public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

**Belpre City School District, Ohio**  
Notes to the General Purpose Financial Statements  
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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 taxes are payable on the same dates as real property taxes described previously.

The assessed values upon which the fiscal year 1999 taxes were collected for Washington County are:

	<u>1998 Second-Half Collections</u>		<u>1999 First Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$81,361,420	48%	\$97,321,830	52%
Public Utility	9,525,970	6%	9,294,070	5%
Tangible Personal Property	<u>76,915,170</u>	<u>46%</u>	<u>80,030,240</u>	<u>43%</u>
Total Assessed Value	<u>167,802,560</u>	<u>100%</u>	<u>\$186,646,140</u>	<u>100%</u>
Tax Rate per \$1,000 of Assessed Valuation	\$31.00		\$31.00	

The School District receives property taxes from Washington County. The Washington County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 1999, are available to finance fiscal year 1999 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 1999. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 1999, was \$24,391.

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 1999, consisted of property taxes, accrued interest, accounts (rent, billings for user charged services, and student fees), and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

A summary of the principal items of Intergovernmental Receivables follows:

	<u>Amounts</u>
<b>General Fund:</b>	
Excess Costs	\$6,111
Foundation Adjustment	133,351
Miscellaneous	<u>72</u>
Total General Fund	<u>139,534</u>
<b>Special Revenue Fund:</b>	
School to Work	<u>2,607</u>
<b>Total All Funds</b>	<u><u>\$142,141</u></u>

**Belpre City School District, Ohio**  
Notes to the General Purpose Financial Statements  
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**NOTE 9 - FIXED ASSETS**

A summary of the Enterprise Fund's fixed assets at June 30, 1999, follows:

Furniture and Equipment	\$125,428
Less: Accumulated Depreciation	<u>(122,109)</u>
Net Fixed Assets	<u><u>\$3,319</u></u>

A summary of the changes in general fixed assets during fiscal year 1999 follows:

	Balance at 6/30/98	Additions	Reductions	Balance at 6/30/99
Land	\$357,594	\$0	\$0	\$357,594
Buildings	2,396,616	0	0	2,396,616
Furniture, Fixtures and Equipment	1,490,459	107,106	43,453	1,554,112
Vehicles	<u>476,065</u>	<u>0</u>	<u>0</u>	<u>476,065</u>
Total	<u><u>\$4,720,734</u></u>	<u><u>\$107,106</u></u>	<u><u>\$43,453</u></u>	<u><u>\$4,784,387</u></u>

**NOTE 10 - RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 1999, the School District contracted with Nationwide Insurance Company for property insurance and boiler and machinery coverage. The policies include a \$500 and \$1,000 deductibles, respectively.

Professional and general liability is protected by the Nationwide Insurance Company with a \$1,000,000 single occurrence limit with a \$5,000,000 aggregate and no deductible. Property damage is on a replacement cost basis for a blanket amount of \$15,664,800 on buildings and contents. Vehicles are covered by Nationwide Insurance Company at original cost of \$476,065 and holds no deductible for comprehensive and a \$100 deductible for collision. Automobile liability has a \$1,000,000 combined single limit of liability. Settled claims have not exceeded this commercial coverage in any of the past three years.

For fiscal year 1999, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 21). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the Equity Pooling Fund. This equity pooling arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

**Belpre City School District, Ohio**  
Notes to the General Purpose Financial Statements  
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**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

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

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 1999, 7.7 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 1998, 9.02 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$56,813, \$92,230 and \$92,665, respectively; 28.38 percent has been contributed for fiscal year 1999 and 100 percent for fiscal years 1998 and 1997. \$40,688 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds and the general long-term obligations account group.

**B. State Teachers Retirement System**

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

For the fiscal year ended June 30, 1999, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. For fiscal year 1998, the portion used to fund pension obligations was 10.5 percent. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$199,264, \$426,148 and \$471,228, respectively; 79.93 percent has been contributed for fiscal year 1999 and 100 percent for fiscal years 1998 and 1997. \$39,984 represents the unpaid contribution for fiscal year 1999 and is recorded as a liability within the respective funds.

**C. Social Security System**

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

**Belpre City School District, Ohio**  
Notes to the General Purpose Financial Statements  
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**NOTE 12 - POSTEMPLOYMENT BENEFITS**

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 1999, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund, an increase from 3.5 percent for fiscal year 1998. For the School District, this amount equaled \$265,685 for fiscal year 1999.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 1998, (the latest information available) the balance in the Fund was \$2,156 million. 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, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 1999, employer contributions to fund health care benefits were 6.30 percent of covered payroll, an increase from 4.98 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 was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 1999 fiscal year equaled \$63,560.

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 the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 1998 (the latest information available), were \$111,900,575 and the target level was \$139.9 million. At June 30, 1998, SERS had net assets available for payment of health care benefits of \$160.3 million. SERS has approximately 50,000 participants currently receiving health care benefits.

**NOTE 13 - EMPLOYEE BENEFITS**

**A. *Compensated Absences***

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees and administrators who are contracted to work 260 days per year earn five to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers and administrators who work less than 260 days per year do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to 238 days for certified employees, 220 days for nine-month and ten-month classified employees, and 230 days for twelve-month classified employees. Upon retirement, certificated employees receive payments for 25% of the total sick leave accumulated up to a maximum of 57 days. Classified employees, upon retirement, receive payment for 25% of the total sick leave accumulation up to a maximum of 52 days. Certificated and confidential classified employees may receive double their payment of sick leave at retirement, only if they retire the first year they become eligible.

**Belpre City School District, Ohio**  
Notes to the General Purpose Financial Statements  
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**B. Other Employee Benefits**

The School District provides health and major medical insurance for all eligible employees through Anthem Blue Cross/Blue Shield Insurance Company. The School District pays monthly premiums of up to \$511.07 for family coverage and up to \$195.00 for individual coverage. Premiums are paid from the same funds that pay the employees' salaries.

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Community National Life Assurance Company in the amount of \$25,000 for classified employees and \$25,000 for certified employees, and either \$60,000 or \$100,000 for administrators.

Dental coverage is provided through Core Source, Inc. Premiums for this coverage are \$29.53 monthly for family and individual coverage. The School district also provides vision insurance to its employees through Vision Service Plan. The monthly premium for this coverage is \$10.14 for family and individual coverage.

**C. Deferred Compensation**

School District employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

For fiscal year 1999, the School District implemented *GASB Statement No. 32, "Deferred Compensation Plans"*. This statement eliminates the requirement that the School District report plan assets in an agency fund if the plan has established a trust fund whose assets are not held by the School District in a fiduciary capacity. The Ohio Public Employees Deferred Compensation Plan has established a trust fund and the amounts are no longer reported on the School District's balance sheet as of June 30, 1999.

**NOTE 14 - CAPITAL LEASES - LESSEE DISCLOSURE**

In prior years, the School District has entered into capitalized leases for copying equipment. Each lease meets the criteria of a capital lease as set forth in the Statement of Financial Accounting Standard No. 13 "Accounting for Leases", which defines a capital lease as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the general purpose financial statements for the governmental funds. Equipment acquired by lease has been capitalized in the general fixed assets account group in the amount of \$12,952, which is the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in 1999 totaled \$4,670.

Future minimum lease payments through 2003 are as follows:

<u>Year</u>	<u>Amount</u>
2000	\$2,988
2001	2,641
2002	1,596
2003	<u>1,596</u>
Total	8,821
Less: Amount Representing Interest	<u>(1,696)</u>
Present Value of Minimum Lease Payments	<u><u>\$7,125</u></u>

**Belpre City School District, Ohio**  
Notes to the General Purpose Financial Statements  
for the Fiscal Year Ended June 30, 1999

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**NOTE 15 - LONG-TERM OBLIGATIONS**

The changes in the School District's long-term obligations during fiscal year 1999 were as follows:

	<u>Outstanding 6/30/98</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding 6/30/99</u>
General Long-Term Obligations:				
Compensated Absences	\$664,535	\$87,787	\$103,078	\$649,244
Capital Leases Payable	5,890	5,905	4,670	7,125
Long-Term Pension Liability	<u>60,663</u>	<u>54,010</u>	<u>60,663</u>	<u>54,010</u>
Total Long-Term Obligations	<u>\$731,088</u>	<u>\$147,702</u>	<u>\$168,411</u>	<u>\$710,379</u>

Compensated absences and long-term pension obligations will be paid from the fund which the employee's salaries are paid. Capital leases will be paid from the General Fund.

The School District's overall legal debt margin was \$16,798,153, with an unvoted debt margin of \$186,646 at June 30, 1999.

**NOTE 16 - NOTE ACTIVITY**

The School District's note activity, including amounts outstanding, interest rates, and the purpose for which the notes were issued is as follows:

	<u>Outstanding 6/30/98</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding 6/30/99</u>
General Fund:				
Energy Conservation Notes - 4.95%	\$112,254	\$0	\$42,311	\$69,943

The principal and interest requirements to retire the energy conservation notes outstanding at June 30, 1999, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$45,720	\$4,640	\$50,360
2001	<u>24,223</u>	<u>957</u>	<u>25,180</u>
Total	<u>\$69,943</u>	<u>\$5,597</u>	<u>\$75,540</u>

The above promissory notes are backed by the full faith and credit of the Belpre City School District. The note liability is reflected in the General Fund and will be repaid with the fund's tax revenues.

**NOTE 17 - SET-ASIDE CALCULATIONS AND FUND RESERVES**

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

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



**Belpre City School District, Ohio**  
Notes to the General Purpose Financial Statements  
for the Fiscal Year Ended June 30, 1999

	Budget Stabilization Reserve	Capital Improvements Reserve	Textbooks/ Instructional Materials Reserve	Total
Set-aside Cash Balance as of June 30, 1998	\$45,187	\$0	\$0	\$45,187
Current Year Set-Aside Requirement	58,615	117,230	117,230	293,075
Current Year Offsets	0	0	(20,718)	(20,718)
Qualifying Disbursements	0	(79,842)	(125,347)	(205,189)
Total	<u>\$103,802</u>	<u>\$37,388</u>	<u>(\$28,835)</u>	<u>\$112,355</u>
Cash Balance Carried Forward to Fiscal Year 2000	<u>\$103,802</u>	<u>\$37,388</u>	<u>\$0</u>	<u>\$141,190</u>

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

**NOTE 18 - INTERFUND TRANSACTIONS**

As of June 30, 1999, the School to Work Special Revenue Fund owed the General Fund \$5,000 as an interfund payable.

**NOTE 19 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The School District maintains three enterprise funds to account for the operations of the food service, uniform school supplies and community education. The table below reflects the more significant financial data relating to the enterprise funds of the Belpre City School District as of and for the fiscal year ended June 30, 1999.

**Belpre City School District, Ohio**  
Notes to the General Purpose Financial Statements  
for the Fiscal Year Ended June 30, 1999

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Community Education</u>	<u>Total</u>
Operating Revenues	\$96,996	\$14,667	\$9,969	\$121,632
Operating Expenses less Depreciation	189,216	12,975	8,268	210,459
Depreciation Expense	1,216	0	0	1,216
Operating Income (Loss)	(93,436)	1,692	1,701	(90,043)
Donated Commodities	14,459	0	0	14,459
Operating Grants	66,927	0	0	66,927
Operating Transfers In	5,250	0	0	5,250
Interest Income	178	0	0	178
Net Income (Loss)	(6,622)	1,692	1,701	(3,229)
Fixed Asset Additions	1,313	0	0	1,313
Net Working Capital	(12,844)	9,030	3,228	(586)
Total Assets	21,645	9,030	3,324	33,999
Long-Term Compensated Absences Payable	10,153	0	0	10,153
Total Equity (Deficit)	(19,678)	9,030	3,228	(7,420)
Encumbrances at June 30, 1999	0	0	119	119

**NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS**

Southeast Ohio Voluntary Educational Consortium (SEOVEC) - SEOVEC was created as a regional council of governments pursuant to State statutes. SEOVEC has 33 participants consisting of 24 school districts and 9 educational service centers. SEOVEC is governed by a governing board which is selected by the member districts. SEOVEC possesses its own budgeting and taxing authority. To obtain financial information write to the Southeast Ohio Voluntary Educational Consortium, Bobbi Weidner, Treasurer, 221 North Columbus Road, Athens, Ohio 45701.

Washington County Joint Vocational School - The Washington County Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the six participating school districts' elected boards and one representative from the Washington County Educational Service Center's board. The Board possesses its own budgeting and taxing authority. To obtain financial information write to the Washington County Joint Vocational School, Mary Bee, Treasurer, Route 2, Marietta, Ohio 45750.

**Belpre City School District, Ohio**  
Notes to the General Purpose Financial Statements  
for the Fiscal Year Ended June 30, 1999

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*Coalition of Rural and Appalachian Schools* - The Coalition of Rural and Appalachian Schools consists of over one hundred school districts in southeastern Ohio. The Coalition is operated by a Board which is composed of fourteen members. The Board members are composed of one superintendent from each County elected by the school districts within that County. The Council provides various services for school district administrative personnel; gathers data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Coalition is not dependent upon the continued participation of the School District and the School District does not maintain an equity interest in or a financial responsibility for the Coalition.

**NOTE 21 - INSURANCE PURCHASING POOL**

Ohio School Boards Association Workers' Compensation Group Rating Plan - The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

**NOTE 22 - STATE SCHOOL FUNDING DECISION**

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 1999, the School District received \$1,990,402 of school foundation support for its General Fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. As of the date of this report, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

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

**NOTE 23 - YEAR 2000**

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the School District's operations as early as fiscal 1999.

The School District is completing an inventory of computer systems, food service, and other equipment necessary to conducting School 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 School District has five school buildings with power, heating and air conditioning systems which have extensive efficiency utilization measures within the systems.

**Belpre City School District, Ohio**  
Notes to the General Purpose Financial Statements  
for the Fiscal Year Ended June 30, 1999

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The School District uses the State of Ohio Uniform School Accounting System software for its financial reporting, and the State of Ohio Uniform School Payroll System software for its payroll and employee benefits. The State is responsible for remediating these systems and any associated costs.

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

Washington County distributes a substantial sum of money to the School District in the form of taxes. The County is responsible for remediating these systems and any associated costs.

In the continuing effort to assess all computer equipment, other areas may be found and, if so, changes will be made in those systems. The School District anticipates that all costs will be handled through departmental and or building appropriations.

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 School District is or will be Year 2000 ready, that the School District's remediation efforts will be successful in whole or in part, or that parties with whom the School District does business will be year 2000 ready.

**NOTE 24 - CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

The School District is currently not party to any litigation.

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

<b>FEDERAL GRANTOR</b> <i>Pass-Through Grantor</i> Program Title	Federal CFDA Number	Pass Through Entity Number	Receipts	Noncash Receipts	Disbursements	Noncash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed through the Ohio Department of Education</i>						
Food Distribution Program (Commodities)	10.550	N/A	\$0	\$15,028	\$0	\$14,459
Nutrition Cluster:						
National School Lunch Program	10.555	03-PU-98	1,983	0	1,983	0
		04-PU-98	7,203	0	7,203	0
		03-PU-99	11,275	0	11,275	0
		04-PU-99	42,215	0	42,215	0
Total National School Lunch Program			<u>62,676</u>	<u>0</u>	<u>62,676</u>	<u>0</u>
Total Nutrition Cluster			<u>62,676</u>	<u>0</u>	<u>62,676</u>	<u>0</u>
<i>Total U.S. Department of Agriculture</i>			62,676	15,028	62,676	14,459
<b>U.S. DEPARTMENT OF LABOR</b>						
<i>Passed through Washington County JVS</i>						
Employment Services and Job Training Pilot and Demonstration Program	17.249	WE-BE-98(C)	14,764	0	16,174	0
		WE-BE-98	5,000	0	0	0
		WE-BE-98	0	0	14,401	0
Total Employment Services and Job Training Pilot and Demonstration Program			<u>19,764</u>	<u>0</u>	<u>30,575</u>	<u>0</u>
<i>Total U. S. Department of Labor</i>			19,764	0	30,575	0
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed through the Ohio Department of Education</i>						
Grants to Local Educational Agencies (ESEA Title I)	84.010	C1-S1-98(C)	35,314	0	35,314	0
		C1-S1-98	64,419	0	66,029	0
		C1-S1-99	223,704	0	172,321	0
Total Grants to Local Educational Agencies			<u>323,437</u>	<u>0</u>	<u>273,664</u>	<u>0</u>
Special Education Grants to States (Title IV-B)	84.027	6B-SF-98	5,400	0	9,790	0
		6B-SF-99	57,368	0	36,626	0
Total Special Education Grants to States (Title IV-B)			<u>62,768</u>	<u>0</u>	<u>46,416</u>	<u>0</u>
Drug-Free Schools and Community Grant	84.186	DR-S1-97	0	0	2,273	0
		DR-S1-98	0	0	4,842	0
		DR-S1-99	7,439	0	4,586	0
Total Drug-Free Schools and Community Grant			<u>7,439</u>	<u>0</u>	<u>11,701</u>	<u>0</u>
Eisenhower Professional Development Grant	84.281	MS-S1-97	(1,250)	0	1,707	0
		MS-S1-98	0	0	3,218	0
		MS-S1-99	7,448	0	1,245	0
Total Eisenhower Professional Development Grant			<u>6,198</u>	<u>0</u>	<u>6,170</u>	<u>0</u>
Innovative Education Program Strategies (Title VI)	84.298	C2-S1-98	0	0	5,258	0
		C2-S1-99	5,258	0	671	0
Total Innovative Education Program Strategies			<u>5,258</u>	<u>0</u>	<u>5,929</u>	<u>0</u>
Total Passed through the Ohio Department of Education			405,100	0	343,880	0
<i>Direct from Federal Government:</i>						
Telecommunications Act Grant (E-Rate)	84.XXX	N/A	6,167	0	0	0
<i>Total U.S. Department of Education</i>			<u>411,267</u>	<u>0</u>	<u>343,880</u>	<u>0</u>
<b>Total Federal Awards Receipts and Expenditures</b>			<u>\$493,707</u>	<u>\$15,028</u>	<u>\$437,131</u>	<u>\$14,459</u>

The notes to the Schedule of Federal Awards Receipts and Expenditures are an integral part of this Schedule.

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES**  
**JUNE 30, 1999**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - FOOD DISTRIBUTION**

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



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Belpre City School District  
Washington County  
2014 Washington Boulevard  
Belpre, Ohio 45714

To the Board of Education:

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

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the School District in a separate letter dated November 30, 1999.

Belpre City School District  
Washington County  
Report of Independent Accountants  
on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**JIM PETRO**  
Auditor of State

November 30, 1999





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Belpre City School District  
Washington County  
2014 Washington Boulevard  
Belpre, Ohio 45714

To the Board of Education:

**Compliance**

We have audited the compliance of the Belpre City School District, Washington County, Ohio, (the School District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 1999. The School District's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

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

**Internal Control Over Compliance**

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

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

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

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

**JIM PETRO**  
Auditor of State

November 30, 1999

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
JUNE 30, 1999**

**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 conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance 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 §.510?	No
(d)(1)(vii)	Major Programs (list):	Title I, CFDA #84.010
(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

**3. FINDINGS FOR FEDERAL AWARDS**

None





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

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**BELPRE CITY SCHOOL DISTRICT**

**WASHINGTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED**  
**JANUARY 11, 2000**