



**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**REGULAR AUDIT**

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



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

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**STATE OF OHIO**



**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Board of Education  
Bloom Carroll Local School District  
Fairfield County  
69 Beaver Street  
Carroll, Ohio 43112

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2001, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

**JIM PETRO**  
Auditor of State

February 12, 2001

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**Bloom Carroll Local School District  
Combined Balance Sheet  
All Fund Types and Account Groups  
June 30, 1999**

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals 1999	
	General	Special Revenue	Debt Service	Capital Project	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	(Memorandum Only)
Assets and Other Debits:										
Equity in Pooled Cash and Investments	\$ 1,660,138	78,329	317,078	93,711	36,067	11,776	55,437	0	0	\$ 2,252,536
Cash in Segregated Account	0	0	3,081	0	0	19,357	0	0	0	22,438
Restricted Assets	115,748	0	0	0	0	0	0	0	0	115,748
Taxes Receivable	3,773,936	0	0	0	0	0	0	0	0	3,773,936
Intergovernmental Receivables	990	8,138	0	0	4,083	0	0	0	0	13,211
Accounts Receivable	12,630	2,002	0	0	0	0	175	0	0	14,807
Supplies Inventory	10,766	0	0	0	1,909	0	0	0	0	12,675
Inventory for Resale	0	0	0	0	12,681	0	0	0	0	12,681
Property, Plant & Equipment	0	0	0	0	167,758	0	0	7,275,144	0	7,442,902
Accumulated Depreciation, where applicable	0	0	0	0	(84,082)	0	0	0	0	(84,082)
Amount Available in Debt Service Fund	0	0	0	0	0	0	0	0	317,078	317,078
Amount to be Provided for Retirement of General Long Term Debt	0	0	0	0	0	0	0	0	1,006,251	1,006,251
<b>Total Assets and Other Debits</b>	<b>\$ 5,574,208</b>	<b>88,469</b>	<b>320,159</b>	<b>93,711</b>	<b>138,416</b>	<b>31,133</b>	<b>55,612</b>	<b>7,275,144</b>	<b>1,323,329</b>	<b>\$ 14,900,181</b>

See Accompanying Notes to the General Purpose Financial Statements.

(Continued)

**Bloom Carroll Local School District  
Combined Balance Sheet  
All Fund Types and Account Groups, Continued  
June 30, 1999**

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals 1999	
	General	Special Revenue	Debt Service	Capital Project	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term	(Memorandum) (Only)
Liabilities:										
Intergovernmental Payable	\$ 130,343	2,140	0	0	15,025	0	0	0	42,895	\$ 190,403
Accounts Payable	47,146	2,210	0	0	0	0	0	0	0	49,356
Matured Bonds Payable	0	0	3,081	0	0	0	0	0	0	3,081
Accrued Salaries and Benefits	567,113	15,873	0	0	17,277	0	0	0	0	600,263
Deferred Revenue	3,105,538	0	0	0	3,310	0	0	0	0	3,108,848
Due to Others	0	0	0	0	0	0	22,598	0	0	22,598
Claims Payable	0	0	0	0	0	32,316	0	0	0	32,316
Leases Payable	0	0	0	0	0	0	0	0	53,296	53,296
General Obligation Bonds Payable	0	0	0	0	0	0	0	0	569,400	569,400
Compensated Absences Payable	7,933	0	0	0	3,164	0	0	0	657,738	668,835
<b>Total Liabilities</b>	<b>3,858,073</b>	<b>20,223</b>	<b>3,081</b>	<b>0</b>	<b>38,776</b>	<b>32,316</b>	<b>22,598</b>	<b>0</b>	<b>1,323,329</b>	<b>5,298,396</b>
Fund Equity and Other Credits:										
Investment in General Fixed Assets	0	0	0	0	0	0	0	7,275,144	0	7,275,144
Contributed Capital	0	0	0	0	114,813	0	0	0	0	114,813
Retained Earnings	0	0	0	0	(15,173)	(1,183)	0	0	0	(16,356)
Fund Balances:										
Reserved for Encumbrances	201,441	0	0	0	0	0	0	0	0	201,441
Reserved for Inventory	10,766	0	0	0	0	0	0	0	0	10,766
Reserved for Contributions	0	0	0	0	0	0	32,189	0	0	32,189
Reserved for Textbooks	13,502	0	0	0	0	0	0	0	0	13,502
Reserved for Budget Stabilization	102,246	0	0	0	0	0	0	0	0	102,246
Reserved for Future Appropriation	126,124	0	0	0	0	0	0	0	0	126,124
Unreserved Fund Balance	1,262,056	68,246	317,078	93,711	0	0	825	0	0	1,741,916
<b>Total Fund Equity</b>	<b>1,716,135</b>	<b>68,246</b>	<b>317,078</b>	<b>93,711</b>	<b>0</b>	<b>0</b>	<b>825</b>	<b>0</b>	<b>0</b>	<b>2,228,184</b>
<b>Total Fund Balances/Retained Earnings and Other Credits</b>	<b>1,716,135</b>	<b>68,246</b>	<b>317,078</b>	<b>93,711</b>	<b>99,640</b>	<b>(1,183)</b>	<b>33,014</b>	<b>7,275,144</b>	<b>0</b>	<b>9,601,785</b>
<b>Total Liabilities, Fund Equity, and Other Credits</b>	<b>\$ 5,574,208</b>	<b>88,469</b>	<b>320,159</b>	<b>93,711</b>	<b>138,416</b>	<b>31,133</b>	<b>55,612</b>	<b>7,275,144</b>	<b>1,323,329</b>	<b>\$ 14,900,181</b>

See Accompanying Notes to the General Purpose Financial Statements.



**Bloom Carroll Local School District**  
**Combined Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**All Governmental Fund Types and Expendable Trust Funds**  
**Year Ended June 30, 1999**

	Governmental Fund Types				Fiduciary Fund Types	Totals (Memorandum) (Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
<b>REVENUES:</b>						
Taxes	\$ 4,167,145	0	0	0	0	\$ 4,167,145
Tuition	14,888	0	0	0	0	14,888
Earnings on Investments	131,321	0	0	0	0	131,321
Extracurricular Activities	0	81,203	0	0	0	81,203
Classroom Materials and Fees	82,553	0	0	0	0	82,553
Miscellaneous	25,793	28,544	0	0	1,614	55,951
Revenue from State Sources						
State Sources	3,921,142	39,406	0	138,535	0	4,099,083
Revenue from Federal Sources						
Federal Sources	0	146,766	0	0	0	146,766
<b>Total Revenue</b>	<b>8,342,842</b>	<b>295,919</b>	<b>0</b>	<b>138,535</b>	<b>1,614</b>	<b>8,778,910</b>
<b>EXPENDITURES:</b>						
<b>Current:</b>						
<b>Instruction</b>						
Regular	3,338,232	32,395	0	80,179	0	3,450,806
Special	449,478	102,714	0	0	0	552,192
Vocational	233,737	0	0	0	0	233,737
Other	19,330	0	0	0	0	19,330
<b>Supporting Services</b>						
Pupils	265,638	36,711	0	0	0	302,349
Instructional Staff	157,826	2,973	0	2,250	0	163,049
Board of Education	111,886	0	0	0	0	111,886
Administration	895,350	10,988	0	26	0	906,364
Fiscal Services	102,549	570	0	0	0	103,119
Business Services	140	0	0	0	0	140
Operation & Maintenance-Plant	701,374	0	0	0	0	701,374
Pupil Transportation	543,049	0	0	0	0	543,049
Central	17,915	0	0	0	0	17,915
<b>Operation of Non-Instructional Services</b>						
Community Services	0	0	0	0	1,647	1,647
<b>Extracurricular Activities</b>						
Academic & Subject Oriented	22,627	8,635	0	0	0	31,262
Occupation Oriented Activity	3,817	0	0	0	0	3,817
Sports Oriented	170,991	83,923	0	0	0	254,914
Co-Curricular Activities	15,269	22,895	0	0	0	38,164
Capital Outlay	51,345	0	0	0	0	51,345
<b>Debt Service</b>						
Repayment of Debt	78,413	0	100,406	0	0	178,819
<b>Total Expenditures</b>	<b>7,178,966</b>	<b>301,804</b>	<b>100,406</b>	<b>82,455</b>	<b>1,647</b>	<b>7,665,278</b>
<b>Excess (Deficiency) of Revenues</b>						
Over (Under) Expenditures	1,163,876	(5,885)	(100,406)	56,080	(33)	1,113,632
<b>Other Financing Sources and Uses:</b>						
<b>Other Financing Sources</b>						
Sale and Loss of Assets	3,094	0	0	0	0	3,094
Transfers-In	2,333	0	0	0	0	2,333
Other Revenues	52,395	135	0	0	0	52,530
<b>Other Financing Uses</b>						
Transfer-Out	0	(6)	0	0	0	(6)
Other Expenses	0	(67)	0	0	0	(67)
<b>Net Other Financing Sources and Uses</b>	<b>57,822</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>57,884</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditure</b>						
Disbursement and Other Uses	1,221,698	(5,823)	(100,406)	56,080	(33)	1,171,516
Decrease in Inventory	(2,713)	0	0	0	0	(2,713)
<b>Beginning Fund Balance</b>	<b>497,150</b>	<b>74,069</b>	<b>417,484</b>	<b>37,631</b>	<b>858</b>	<b>1,027,192</b>
<b>Ending Fund Balance</b>	<b>\$ 1,716,135</b>	<b>68,246</b>	<b>317,078</b>	<b>93,711</b>	<b>825</b>	<b>\$ 2,195,995</b>

See Accompanying Notes to the General Purpose Financial Statements.

**Bloom Carroll Local School District**  
**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Basis)**  
**All Governmental Fund Types and Expendable Trust Funds**  
**Year Ended June 30, 1999**

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$ 4,224,380	4,224,380	0	0	0	\$ 0
Tuition	14,888	14,888	0	0	0	0
Earnings on Investment	130,315	130,706	391	0	0	0
Extracurricular Activities	0	0	0	84,308	84,308	0
Classroom Materials and Fees	82,955	82,955	0	0	0	0
Miscellaneous	19,782	19,301	(481)	28,164	28,164	0
State Unrestricted Grants-in-Aid	3,898,408	3,898,408	0	0	0	0
State Restricted Grants-in-Aid	30,325	30,325	0	39,406	39,406	0
Revenue for/on Behalf of District	0	0	0	0	0	0
Federal Restricted Grants-in-Aid	0	0	0	164,122	138,628	(25,494)
<b>Total Revenue</b>	<b>8,401,053</b>	<b>8,400,963</b>	<b>(90)</b>	<b>316,000</b>	<b>290,506</b>	<b>(25,494)</b>
<b>Expenditures:</b>						
Regular Instruction	3,314,897	3,314,897	0	33,410	32,682	728
Special Instruction	496,762	451,162	45,600	128,164	101,816	26,348
Vocational Instruction	229,612	229,687	(75)	0	0	0
Other Instruction	20,830	20,830	0	0	0	0
Support Services-Pupils	254,635	254,705	(70)	41,128	36,409	4,719
Support Services-Instructional Staff	156,042	156,042	0	2,947	2,939	8
Support Services-Board of Education	117,484	114,404	3,080	0	0	0
Support Services-Administration	874,379	873,713	666	12,928	10,947	1,981
Fiscal Services	100,214	100,142	72	570	570	0
Business Services	140	140	0	0	0	0
Operation & Maintenance-Plant	740,894	734,416	6,478	0	0	0
Support Services-Transportation	656,798	648,774	8,024	0	0	0
Support Services-Central	17,915	17,915	0	0	0	0
Community Services	0	0	0	3,900	0	3,900
Academic & Subject Oriented	22,182	22,182	0	8,635	8,635	0
Occupation Oriented Activities	4,018	4,018	0	0	0	0
Sports Oriented	170,736	170,736	0	82,829	81,754	1,075
Co-Curricular Activities	14,653	14,653	0	23,144	22,895	249
Building & Construction	52,852	52,852	0	0	0	0
Repayment of Debt	242,958	242,958	0	0	0	0
<b>Total Expenditures</b>	<b>7,488,001</b>	<b>7,424,226</b>	<b>63,775</b>	<b>337,655</b>	<b>298,647</b>	<b>39,008</b>
Excess of Revenue Over (Under) Expenditures	913,052	976,737	63,685	(21,655)	(8,141)	13,514
<b>Other Financing Sources (Uses):</b>						
Sale & Loss of Assets	3,094	3,094	0	0	0	0
Transfer-In	2,333	2,333	0	0	0	0
Refund of Prior Years Expenditures	1,354	1,354	0	135	135	0
Transfers-Out	0	0	0	(6)	(6)	0
Advances-Out	(11,628)	0	11,628	0	0	0
Refund of Prior Years Receipts	0	0	0	(67)	(67)	0
<b>Total Other Sources (Uses)</b>	<b>(4,847)</b>	<b>6,781</b>	<b>11,628</b>	<b>62</b>	<b>62</b>	<b>0</b>
<b>Excess of Revenues &amp; Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>						
Beginning Fund Balance	442,489	442,489	0	83,526	83,526	0
Prior Year Carry Over Encumbrances	148,438	148,438	0	2,883	2,883	0
<b>Ending Fund Balance</b>	<b>\$ 1,499,132</b>	<b>\$ 1,574,445</b>	<b>75,313</b>	<b>64,816</b>	<b>78,330</b>	<b>\$ 13,514</b>

See Accompanying Notes to the General Purpose Financial Statements.

(Continued)

**Bloom Carroll School District**  
**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Basis)**  
**All Governmental Fund Types and Expendable Trust Funds - Continued**  
**Year Ended June 30, 1999**

	Debt Service Funds			Capital Service Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$ 0	0	0	0	0	\$ 0
Tuition	0	0	0	0	0	0
Earnings on Investment	0	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0	0
Classroom Materials and Fees	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0
State Unrestricted Grants-in-Aid	0	0	0	0	0	0
State Restricted Grants-in-Aid	0	0	0	138,535	138,535	0
Revenue for/on Behalf of District	0	0	0	0	0	0
Federal Restricted Grants-in-Aid	0	0	0	0	0	0
<b>Total Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>138,535</b>	<b>138,535</b>	<b>0</b>
Expenditures:						
Regular Instruction	0	0	0	119,073	80,179	38,894
Special Instruction	0	0	0	0	0	0
Vocational Instruction	0	0	0	0	0	0
Other Instruction	0	0	0	0	0	0
Support Services-Pupils	0	0	0	0	0	0
Support Services-Instructional Staff	0	0	0	35,032	2,250	32,782
Support Services-Board of Education	0	0	0	0	0	0
Support Services-Administration	0	0	0	2,317	1,177	1,140
Fiscal Services	0	0	0	0	0	0
Business Services	0	0	0	0	0	0
Operation & Maintenance-Plant	0	0	0	20,895	0	20,895
Support Services-Transportation	0	0	0	0	0	0
Support Services-Central	0	0	0	0	0	0
Community Services	0	0	0	0	0	0
Academic & Subject Oriented	0	0	0	0	0	0
Occupation Oriented Activities	0	0	0	0	0	0
Sports Oriented	0	0	0	0	0	0
Co-Curricular Activities	0	0	0	0	0	0
Building & Construction	0	0	0	0	0	0
Repayment of Debt	100,406	100,406	0	0	0	0
<b>Total Expenditures</b>	<b>100,406</b>	<b>100,406</b>	<b>0</b>	<b>177,317</b>	<b>83,606</b>	<b>93,711</b>
Excess of Revenue Over (Under) Expenditures	(100,406)	(100,406)	0	(38,782)	54,929	93,711
Other Financing Sources (Uses):						
Sale & Loss of Assets	0	0	0	0	0	0
Transfer-In	0	0	0	0	0	0
Refund of Prior Years Expenditures	0	0	0	0	0	0
Transfers-Out	0	0	0	0	0	0
Advances-Out	0	0	0	0	0	0
Refund of Prior Years Receipts	0	0	0	0	0	0
<b>Total Other Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess of Revenues & Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(100,406)	(100,406)	0	(38,782)	54,929	93,711
Beginning Fund Balance	417,484	417,484	0	38,782	38,782	0
Prior Year Carry Over Encumbrances	0	0	0	0	0	0
<b>Ending Fund Balance</b>	<b>\$ 317,078</b>	<b>\$ 317,078</b>	<b>0</b>	<b>0</b>	<b>93,711</b>	<b>\$ 93,711</b>

See Accompanying Notes to the General Purpose Financial Statements.

(Continued)

**Bloom Carroll Local School District**  
**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Basis)**  
**All Governmental Fund Types and Expendable Trust Funds - Continued**  
**Year Ended June 30, 1999**

	Expendable Trust Funds			Totals (Memorandum Only)		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$ 0	0	0	4,224,380	4,224,380	\$ 0
Tuition	0	0	0	14,888	14,888	0
Earnings on Investment		0	0	130,315	130,706	391
Extracurricular Activities	0	0	0	84,308	84,308	0
Classroom Materials and Fees	0	0	0	82,955	82,955	0
Miscellaneous	1,614	1,614	0	49,560	49,079	(481)
State Unrestricted Grants-in-Aid	0	0	0	3,898,408	3,898,408	0
State Restricted Grants-in-Aid	0	0	0	208,266	208,266	0
Revenue for/on Behalf of District	0	0	0	0	0	0
Federal Restricted Grants-in-Aid	0	0	0	164,122	138,628	(25,494)
<b>Total Revenue</b>	<b>1,614</b>	<b>1,614</b>	<b>0</b>	<b>8,857,202</b>	<b>8,831,618</b>	<b>(25,584)</b>
Expenditures:						
Regular Instruction	0	0	0	3,467,380	3,427,758	39,622
Special Instruction	0	0	0	624,926	552,978	71,948
Vocational Instruction	0	0	0	229,612	229,687	(75)
Other Instruction	0	0	0	20,830	20,830	0
Support Services-Pupils	0	0	0	295,763	291,114	4,649
Support Services-Instructional Staff	0	0	0	194,021	161,231	32,790
Support Services-Board of Education	0	0	0	117,484	114,404	3,080
Support Services-Administration	0	0	0	889,624	885,837	3,787
Fiscal Services	0	0	0	100,784	100,712	72
Business Services	0	0	0	140	140	0
Operation & Maintenance-Plant	0	0	0	761,789	734,416	27,373
Support Services-Transportation	0	0	0	656,798	648,774	8,024
Support Services-Central	0	0	0	17,915	17,915	0
Community Services	1,643	1,647	(4)	5,543	1,647	3,896
Academic & Subject Oriented	0	0	0	30,817	30,817	0
Occupation Oriented Activities	0	0	0	4,018	4,018	0
Sports Oriented	0	0	0	253,565	252,490	1,075
Co-Curricular Activities	0	0	0	37,797	37,548	249
Building & Construction	0	0	0	52,852	52,852	0
Repayment of Debt	0	0	0	343,364	343,364	0
<b>Total Expenditures</b>	<b>1,643</b>	<b>1,647</b>	<b>(4)</b>	<b>8,105,022</b>	<b>7,908,532</b>	<b>196,490</b>
Excess of Revenue Over (Under) Expenditures	(29)	(33)	(4)	752,180	923,086	170,906
Other Financing Sources (Uses):						
Sale & Loss of Assets	0	0	0	3,094	3,094	0
Transfer-In	0	0	0	2,333	2,333	0
Refund of Prior Years Expenditures	0	0	0	1,489	1,489	0
Transfers-Out	0	0	0	(6)	(6)	0
Advances-Out	0	0	0	(11,628)	0	11,628
Refund of Prior Years Receipts	0	0	0	(67)	(67)	0
<b>Total Other Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(4,785)</b>	<b>6,843</b>	<b>11,628</b>
Excess of Revenues & Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(29)	(33)	(4)	747,395	929,929	182,534
Beginning Fund Balance	858	858	0	983,139	983,139	0
Prior Year Carry Over Encumbrances	0	0	0	151,321	151,321	0
<b>Ending Fund Balance</b>	<b>\$ 829</b>	<b>\$ 825</b>	<b>(4)</b>	<b>1,881,855</b>	<b>2,064,389</b>	<b>\$ 182,534</b>

See Accompanying Notes to the General Purpose Financial Statements.

**Bloom Carroll Local School District**  
**Combined Statement of Revenues, Expenses, and Changes in Retained Earnings**  
**All Proprietary Fund Types and Similar Fiduciary Fund Type**  
**Year Ended June 30, 1999**

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum) (Only)
	Enterprise Funds	Internal Service Funds	Non-Expendable Trust Funds	
Operating Revenues:				
Food Service	\$ 204,243	0	0	\$ 204,243
Earnings On Investments	0	0	1,697	1,697
Extracurricular Activities	0	752	0	752
Classroom Materials & Fees	3,536	0	0	3,536
Insurance Revenue	0	415,235	0	415,235
Total Operating Revenue	207,779	415,987	1,697	625,463
Operating Expenses:				
Personal Services - Salary	112,453	0	0	112,453
Employee Benefits	43,643	380,746	0	424,389
Purchased Services	4,328	35,669	0	39,997
Supplies and Materials	128,879	0	0	128,879
Other Expenses	696	47,322	3,000	51,018
Depreciation	2,911	0	0	2,911
Total Operating Expenses	292,910	463,737	3,000	759,647
Operating Loss	(85,131)	(47,750)	(1,303)	(134,184)
Non-Operating Revenues:				
Earnings On Investments	1,038	0	0	1,038
Miscellaneous	10	0	510	520
State Unrestricted Grants-In-Aid	1,117	0	0	1,117
Federal Unrestricted Grants-in-Aid	30,819	0	0	30,819
Federal Commodities	31,186	0	0	31,186
Total Non-Operating Revenues	64,170	0	510	64,680
Transfers:				
Transfers Out	(1,713)	(614)	0	(2,327)
Total Transfers	(1,713)	(614)	0	(2,327)
Net Loss	(22,674)	(48,364)	(793)	(71,831)
Beginning Retained Earnings	7,501	47,181	32,982	87,664
Retained Earnings at End of Year	\$ (15,173)	(1,183)	32,189	\$ 15,833

See Accompanying Notes to the General Purpose Financial Statements.

**Bloom Carroll Local School District**  
**Combined Statement of Changes in Cash Flows**  
**All Proprietary Fund Types and Similar Fiduciary Fund Type**  
**Year Ended June 30, 1999**

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum) (Only)
	Enterprise Funds	Internal Service Funds	Non- Expendable Trust Fund	
Cash Flows from Operating Activities:				
Operating Loss	\$ (85,131)	(47,750)	(1,303)	\$ (134,184)
Adjustment to Reconcile Operating Gain (Loss)				
Depreciation	2,911	0	0	2,911
Donated Commodities	31,186	0	0	31,186
Net (Increase) Decrease in Assets:				
Intergovernmental Receivable	(63)	0	0	(63)
Accounts Receivable	32	209	0	241
Inventory	4,568	0	0	4,568
Net Increases (Decreases) in Liabilities:				
Intergovernmental Payable	2,939	0	0	2,939
Accounts Payable	(308)	(193)	0	(501)
Accrued Wages and Benefits	7,626	0	0	7,626
Deferred Revenue	(4,901)	0	0	(4,901)
Claims Payable	0	(12,702)	0	(12,702)
Compensated Absences	189	0	0	189
Total Adjustments	44,179	(12,686)	0	31,493
Net Cash Used in Operating Activities	(40,952)	(60,436)	(1,303)	(102,691)
Cash Flows from Noncapital Financing Activities:				
State Sources	1,117	0	0	1,117
Federal Sources	30,819	0	0	30,819
Other Net	1,048	0	510	1,558
Transfers Out	(1,713)	(614)	0	(2,327)
Net Cash Provided by Noncapital Financing Sources	31,271	(614)	510	31,167
Net Increase in (Decrease) Cash & Cash Equivalents	(9,681)	(61,050)	(793)	(71,524)
Cash and Cash Equivalents at Beginning of Year	45,748	92,183	32,982	170,913
Cash and Cash Equivalents at End of Year	<u>\$ 36,067</u>	<u>31,133</u>	<u>32,189</u>	<u>\$ 99,389</u>

See Accompanying Notes to the General Purpose Financial Statements.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a local school district as defined by Section 3311.3 of the Ohio Revised Code. The District operates under a locally-elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. This Board of Education controls the District's instructional/support facilities staffed by 46 classified and 101 certificated full time administrative and teaching personnel who provide services to 1,462 students and other community members.

The District provides regular, vocational and special instruction. The District also provides support services for the pupils, instructional staff, general and school administration, business and fiscal services, facilities acquisitions and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities and non-programmed services.

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

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

The following entities which perform activities within the District boundaries for the benefit of its residents are excluded from the accompanying financial statements because the District is not financially accountable for these entities nor are they fiscally dependent on the District.

**City of Carroll** The city government of Carroll is a separate bodies politic and corporate. A mayor and council are elected independent of any District relationships and administer the provision of traditional city services. Council acts as the taxing and budgeting authority for these city services.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. Reporting Entity (Continued)**

**Parent Teacher Association** The District is not involved in the budgeting or management, is not responsible for any debt and has no influence over the organization.

The District is associated with four jointly governed organizations, and one public entity risk pool. These organizations are discussed in note 15 to the general purpose financial statements. These organizations are:

**Jointly Governed Organizations:**

Metropolitan Educational Council  
Fairfield County Council for Educational Collaboration  
South Central Ohio Insurance Consortium  
Central Ohio Special Education Regional Resource Center

**Public Entity Risk Pools:**

Ohio School Boards Association Workers' Compensation Group Rating Program

Management believes the financial statements included in this report represent all of the funds of the District over which the District is financially accountable.

**B. Fund Accounting**

The District uses funds and account groups to report 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 District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the 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 District are financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the District's governmental fund types:



**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Fund Accounting (Continued)**

***Governmental Fund Types (Continued)***

***General Fund*** The general fund is the operating fund of the 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 District for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

***Debt Service Funds*** Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

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

***Proprietary Fund Types*** Proprietary funds are used to account for the District's ongoing activities which are similar to those found in the private sector. The following are the District's proprietary fund types:

***Enterprise Funds*** Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that 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.

***Internal Service Funds*** Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the District on a cost reimbursement basis.

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

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

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Fund Accounting (Continued)**

***Account Groups (Continued)***

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

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

**C. Measurement Focus/Basis of Accounting**

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

All proprietary fund types and non-expendable trust 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 type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

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

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

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

The 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 not intended to finance fiscal year 1999 operations, have been recorded as deferred revenue.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus/Basis of Accounting (Continued)**

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 and non-expendable trust funds. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

The Proprietary Funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred. Pursuant to GASB Statement No. 20 "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting" the District follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

Agency fund assets and liabilities are recognized on the modified accrual basis of accounting.

**D. Budget and Budgetary Accounting**

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

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

**Tax Budget** Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing 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 County Budget Commission for rate determination.

**Estimated Resources** By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the 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.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budget and Budgetary Accounting (Continued)**

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 District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 1999. Prior to year-end, the District requested an amended certificate of estimated resources that reflected actual revenue for the fiscal year.

**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, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission. Any revisions that alter the total of any fund appropriations or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund 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.

**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. Encumbrances plus expenditures may not legally exceed appropriations at the legal level of control. 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 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.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Cash and Cash Equivalents**

Cash received by the District is pooled in a central bank account with individual fund balance integrity maintained throughout. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments". During the fiscal year all investments were limited to STAR Ohio.

Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost. Except for investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at fair value which is based on quoted market prices. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at amortized cost.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 1998-99. 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.

Under existing Ohio statutes all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. For the District, all investment earnings accrue to the General Fund, Enterprise Funds and Trust Funds as authorized by board resolution. Interest income earned in fiscal year 1999 totaled \$134,506.

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

**F. Taxes Receivable**

The financial statements reflect taxes receivable as of June 30, 1999. GAAP permits the recognition of revenue from any property tax assessment in the fiscal period levied, provided the funds are "available". "Available" means then due, or past due and receivable within the current period or expected to be collected soon thereafter. While these taxes have been assessed, the majority are not due at June 30, 1999 and accordingly have been recorded as deferred revenue in the accompanying financial statements. Taxes that become delinquent remain recorded in deferred revenue until they are determined to be uncollectible.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Inventory**

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

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 1999, are recognized under the nonallocation method. The nonallocation method of prepayments and deferrals is consistent with the basic governmental concept that only expendable financial resources are reported by a specific governmental fund. Payments for the prepaid items or deferrals are fully recognized as an expenditure in the year of payment. Under the nonallocation method no asset for the prepayment or deferral is created, and no expenditure allocation to future accounting periods is required.

**I. Fixed Assets and Depreciation**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the dates received. The District maintains a capitalization threshold of five hundred dollars for general fixed assets. No threshold is used for proprietary fixed assets. The District does not possess any infrastructure. Improvements are capitalized. 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. Interest incurred during the construction of general fixed assets is also not capitalized.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment and vehicles in the proprietary fund types is computed using the straight-line method over an estimated useful life of five to twenty years. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

**J. 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 became measurable.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Intergovernmental Revenues (Continued)**

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

**Entitlements:**

**General Fund**

State Foundation Program  
School Bus Funding  
Homestead and Rollback Tax Subsidy

**Special Revenue Funds**

Educational Management Information  
Systems

**Non-Reimbursable Grants:**

Special Revenue Funds  
Data Communications Grant  
Title I  
Title VI  
Title VIB  
Professional Development Block Grant

**Capital Projects Funds**

School Net Plus

**Reimbursable Grants:**

**General Fund**

Driver Education Reimbursement

**Proprietary Funds**

National School Lunch Program  
Government Donated Commodities

Grants and entitlements amounted to approximately 48% of the District's operating revenue during the 1999 fiscal year.

**K. Interfund Assets/Liabilities**

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables" and "interfund payables". Long-term interfund loans are classified as "advances to/from other funds" and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources since they are not a component of net current assets.

**L. 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 District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. Compensated Absences (Continued)**

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 District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the District's termination policy. The District records a liability for accumulated unused sick leave for employees after eleven years of service, or sixty or more years of age and five or more years of service.

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.

**M. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents set aside to establish textbook and budget stabilization reserves. These reserves are required by State statute. The budget stabilization reserve may be used only after receiving approval from the State Superintendent of Public Instruction. Fund balance reserves have also been established.

**N. 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 expendable available financial resources. In general, amounts paid more than sixty days after year end are considered not to have been paid with current available financial resources. Bonds and capital leases are recognized as a liability of the general long-term obligations account group until due.

**O. Bond Premiums and Discounts**

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

Under Ohio law, a debt retirement fund must be created and used for the payment of tax anticipation notes. Generally accepted accounting principles requires the reporting of the liability in the funds that received the proceeds. To comply with GAAP reporting requirements, the activity of the District's debt service fund has been split among the appropriate funds. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.



**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**O. Bond Premiums and Discounts (Continued)**

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

**P. 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 non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**Q. 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.

**R. Fund Balance Reserves**

The District reserves fund balance for amounts that are legally segregated for a specific purpose or which are not available for appropriation. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, budget stabilization, inventory and property taxes. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. Non-expendable Trust Funds have been reserved for contributions.

**S. Contributed Capital**

Contributed capital represents resources from other funds, other governments and private sources provided to the proprietary funds that are not subject to repayment. These assets are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end. At June 30, 1999, the District had \$114,813 of contributed capital.

**T. Memorandum Only - Total Columns**

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.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**2. BUDGETARY BASIS OF ACCOUNTING**

While the District is reporting financial position, results of operations and changes in fund balance/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 (Non-GAAP Basis), All Governmental Fund Types and Expendable Trust Funds is 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:

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 disclosures in the proprietary fund types (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 payment on bond and tax anticipation notes are reported on the operating statement (budget basis) rather than on the balance sheet (GAAP basis).
6. The 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 table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type:

	Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses Governmental Fund Types and Expendable Trust Governmental Fund Types				
	General	Special	Debt	Capital	Expendable
	Fund	Revenue	Service	Project	Trust
GAAP Basis	\$1,221,698	(5,823)	(100,406)	56,080	\$ (33)
Increase (Decrease):					
Due to Revenues:					
Net Adjustments to Revenue	58,121	(5,413)	0	0	0
Due to Expenditures:					
Net Adjustments to Expenditure	(95,164)	3,157	0	(1,151)	0
Due to Other Sources/Uses	(201,137)	0	0	0	0
Budget Basis	<u>\$ 983,518</u>	<u>(8,079)</u>	<u>(100,406)</u>	<u>54,929</u>	<u>\$ (33)</u>

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**3. FUND DEFICIT**

**Fund Deficit:**

Fund balances/retained earnings at June 30, 1999, included the following individual fund deficits:

Special Revenue:	Title I	(\$ 3,451)
Enterprise Funds:	Food Services	(\$15,173)
Internal Service Funds:	Self Insurance	(\$ 1,183)

The deficits resulted from adjustments for accrued liabilities. The general fund is liable for any deficits in the funds and provides operating transfers when cash is required, not when accruals occur.

**4. CASH AND CASH EQUIVALENTS**

State statutes classify monies held by the 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 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 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;
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;

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**4. CASH AND CASH EQUIVALENTS (Continued)**

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 (STAR Ohio); and
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time.

Investments in stripped principal or interest obligations, reverse 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 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.

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 year end, the carrying amount of the District's deposits was \$57,446 and the bank balance was \$196,640. Of the bank balance:

1. \$171,729 was covered by federal depository insurance; and
2. \$24,911 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 District to a successful claim by the FDIC.

**Investments:** The District's investments are required to be categorized to give an indication of the level of risk assumed by the District at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the 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 District's name. STAR Ohio are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Carrying Amount	Fair Value
STAR Ohio	\$ 2,310,838	\$ 2,310,838

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**4. CASH AND CASH EQUIVALENTS (Continued)**

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	\$ 2,390,722	\$ 0	
Investments:			
STAR Ohio	(2,310,838)	2,310,838	
Cash in Segregated Account	(22,438)		
GASB Statement 3	\$ 57,446	\$ 2,310,838	

**5. PROPERTY TAX**

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes.

Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at eighty-eight percent of true value (with certain exceptions) and on real property at thirty-five percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year.

Tangible personal property assessments are twenty-five percent of true value. The assessed values upon which the fiscal year 1999 taxes were collected are:

Real Property-Commercial/Industrial	\$ 11,291,980
Real Property-Residential/Agricultural	129,425,650
Real Property-Public Utilities	29,330
Personal Property-General	6,950,426
Personal Property-Public Utilities	9,075,980
Total Assessed Value	\$ 156,773,366

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**5. PROPERTY TAX (Continued)**

The full tax rate at the fiscal year ended June 30, 1999 for operations was \$42.30 per \$1,000 of assessed valuation. Real property taxes are payable annually or 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. Under certain circumstances, State statute permits alternate payment dates to be established. Tangible personal property taxes paid by multi-county taxpayers are due September 20. 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.

The District receives property taxes from Fairfield County. The County Auditor periodically advances to the 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 represent delinquent taxes outstanding and real property, 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 year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations.

**6. RECEIVABLES**

Receivables at June 30, 1999 consisted of taxes, accounts (miscellaneous), and intergovernmental grants and entitlements. 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 guarantee of Federal funds.

A summary of the principal items of Intergovernmental Receivables follows:

General Fund	
Federal Refund	\$ 390
Drivers Education Subsidy	600
Total General Fund	990
Proprietary Funds	
State & Federal Lunchroom Subsidy	4,083
Special Revenue Funds	
Title VIB Grant	5,331
E Rate Subsidy	2,807
Grand Total	\$ 13,211

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**7. FIXED ASSETS**

The following is a summary of the proprietary funds property, plant and equipment at June 30, 1999:

Furniture and Equipment	\$ 167,758
Less Accumulated Depreciation	<u>(84,082)</u>
Net Fixed Assets	<u><u>\$ 83,676</u></u>

The following is a summary of changes in the General Fixed Assets Account Group during the fiscal year 1999:

	General Fixed Assets June 30, 1998	Additions	Deletions	General Fixed Assets June 30, 1999
Land and Improvements	\$ 64,351	107,000	0	\$ 171,351
Buildings	4,169,196	0	0	4,169,196
Furniture and Equipment	2,040,863	146,535	18,215	2,169,183
Vehicles	<u>720,128</u>	<u>148,486</u>	<u>103,200</u>	<u>765,414</u>
Total General Fixed Assets	<u><u>\$ 6,994,538</u></u>	<u><u>402,021</u></u>	<u><u>121,415</u></u>	<u><u>\$ 7,275,144</u></u>

There was no significant construction in progress at June 30, 1999.

**8. DEFINED BENEFIT PENSION PLANS**

**A. State Teachers Retirement System**

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

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 10.5 percent was the portion used to fund pension obligations. Prior to July 1, 1998, the portion used to fund pension obligations was 12 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's contributions for pension obligations to STRS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$524,136, \$490,704, and \$500,892, respectively; 82 percent has been contributed for fiscal year 1999 and 100 percent for fiscal years 1998 and 1997. \$92,928 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**8. DEFINED BENEFIT PENSION PLANS (Continued)**

**B. School Employees Retirement System**

The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. 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.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. For fiscal year 1999, 9.79 percent was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$122,880, \$120,492, and \$120,486, respectively; 44 percent has been contributed for fiscal year 1999 and 100 percent for fiscal years 1998 and 1997. \$75,945 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.

**C. Social Security**

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, one member of the Board of Education has elected social security. The Board's liability is 6.2 percent of wages paid.

**9. POSTEMPLOYMENT BENEFITS**

The 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 obligation to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. Through June 30, 1998, the Board allocated employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund. Beginning July 1, 1998, this allocation was increased to 3.5 percent. For the District, this amount equaled \$131,034 during fiscal 1999.

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



**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**9. POSTEMPLOYMENT BENEFITS (Continued)**

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

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

The target level for the health care reserve is 125 percent of annual health care expenses. Expenses for health care at June 30, 1998, were \$111,900,575 and the target level was \$139.9 million. At June 30, 1998 SERS 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. For the District, the amount to fund health care benefits, including the surcharge, equaled \$57,019 during the 1999 fiscal year.

**10. COMPENSATED ABSENCES**

**Vacation**

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements, Board policy and State laws. Only administrative and support personnel who are under a full year contract (260 days) are eligible for vacation time. The administrators are generally granted twenty days of vacation per year.

Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. The Classified personnel accumulate vacation based on the following schedule:

Years Service	Vacation Days
1-9	10
10-19	15
20 and beyond	20

**Severance**

Each employee earns sick leave at the rate of one and one-fourth days per month. Sick leave shall accumulate during active employment on a continuous year-to-year basis. Maximum sick leave accumulation for employees is 185 days.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**10. COMPENSATED ABSENCES (Continued)**

**Severance (Continued)**

Retirement severance is paid to each employee retiring from the District at a per diem rate of the annual salary at the time of retirement. Classified employees receiving retirement severance pay shall be entitled to a dollar amount equivalent to one-fourth of all accumulated sick leave credited to that employee up to forty five days. Certified employees receiving retirement severance pay shall be entitled to a dollar amount equivalent to one-fourth of all accumulated sick leave credited to that employee up to forty five days.

Administrators receiving retirement severance pay shall be entitled to a dollar amount equivalent to one-third of all accumulated sick leave credited to that employee up to sixty days.

**Early Retirement Incentive**

The District has instituted an Early Retirement Incentive plan effective from July 1, 1998 to July 1, 1999 in accordance with Ohio Revised Code 3307.35. Any certified employee who qualifies to retire under the guidelines of the plan shall receive the lesser of: three (3) years service credit; an amount of service equal to one-fifth of the total service credited to the participant. At June 30, 1999 the District had no outstanding liability for the early retirement incentive plan.

**11. RISK MANAGEMENT**

**General Risk**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The District has addressed these various types of risk by purchasing a comprehensive insurance policy through commercial carriers.

General liability insurance is maintained in the amount of \$1,000,000 for each occurrence and \$3,000,000 in the aggregate.

The District maintains fleet insurance in the amount of \$2,000,000 for any one accident or loss.

The District maintains replacement cost insurance on buildings and contents in the amount of \$16,769,300.

**Workers Compensation-Public Entity Risk Pool**

The 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 Ohio School Boards Association. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating Districts pay an enrollment fee to the GRP to cover the costs of administering the program.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**11. RISK MANAGEMENT (Continued)**

**Workers Compensation-Public Entity Risk Pool (Continued)**

The intent of the GRP is to achieve the benefit of a reduced premium for the 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 & Company provides administrative, cost control and actuarial services to the GRP.

**Health Insurance**

The District has established an internal service "self-insurance" fund, in conjunction with a formalized risk management program, in an effort to minimize risk exposure and control claims and premium costs. This self-insurance fund was established for the purpose of accumulating balances sufficient to self-insure basic medical, dental, vision, and prescription drug coverage and permit excess umbrella coverage for claims over a pre-determined level. Board and employee premium contributions are determined by negotiated agreement. Amounts are paid into this fund from the General Fund, Lunchroom Fund, and certain Special Revenue Funds (Grants). Claims payments are made on an as-incurred basis, thus no "reserve" remains with the insurance carrier. Effective July 1, 1997, the District terminated the independent carrier for self-insurance for basic medical, and prescription drug coverage and joined the South Central Ohio Insurance Consortium (SCOIC). The District continues to maintain an independent self-insurance fund for dental coverage.

Expenses for claims are recorded as other expenses when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using expected future investment assumptions as determined by the third party administrator. These liabilities are reported at their present value of \$32,316 at June 30, 1999.

A summary of changes in self-insurance claims for the year ended June 30, 1999:

	June 30, 1999
Claim Liabilities at beginning of year	\$ 45,018
Incurred Claims	380,746
Claims Paid	<u>(393,448)</u>
Claim Liabilities at end of year	<u><u>\$ 32,316</u></u>

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**11. RISK MANAGEMENT (Continued)**

SCOIC currently includes twelve members. Contributions are determined by the consortium's board of directors and are remitted monthly to the consortium's fiscal agent, who then pays all incurred claims. Thus actual cash "reserves" are held by the fiscal agent.

Professional Risk Management, Inc., a third party administrator, services all health / medical claims submitted by employees. An excess coverage insurance policy covers individual claims in excess of \$40,000 and \$2,000,000 lifetime maximum, per employee consortium wide.

**12. LONG-TERM DEBT**

A summary of changes in long-term obligations for the year ended June 30, 1999, are as follows:

	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
Intergovernmental Payable	\$ 54,600	42,895	54,600	\$ 42,895
General Obligation Bonds Payable	255,000	0	85,000	170,000
Energy Bonds Payable	449,400	0	50,000	399,400
Leases Payable	16,022	53,296	16,022	53,296
Early Retirement Incentive	95,956	0	95,956	0
Compensated Absences Payable	729,181	657,738	729,181	657,738
	<u>\$ 1,600,159</u>	<u>753,929</u>	<u>1,030,759</u>	<u>\$ 1,323,329</u>

**Bonds Payable:**

\$170,000 of outstanding general obligation bonds relate to a project in 1980 for which bonds were issued for the purpose of additional construction and equipping the high school building and improving the site thereof. These bonds mature December 2000, and are in full compliance with the general laws of the State of Ohio, particularly Sections 133.01 to 133.48, inclusive, of the Revised Code and Section 133.09 thereof.

\$259,400 of outstanding general obligation bonds relate to a House Bill 264 project in 1994 for which bonds were issued for the purpose of improving and repairing of furnaces and roofs. These bonds mature December 2004, and are in full compliance with the general laws of the State of Ohio, particularly Sections 133.01 to 133.48, inclusive, of the Revised Code and Section 133.09 thereof.

\$140,000 of outstanding general obligation bonds relate to a House Bill 264 project in 1999 for which bonds were issued for the purpose of improving and repairing buildings. These bonds mature January 2005, and are in full compliance with the general laws of the State of Ohio, particularly Sections 133.01 to 133.48, inclusive, of the Revised Code and Section 133.09 thereof.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**12. LONG-TERM DEBT (Continued)**

**Bonds Payable: (Continued)**

The annual maturities of the general obligation bonds as of June 30, 1999, and related interest payments are as follows:

Construction Bonds	Principal	Interest	Payment
FY 2000	\$ 85,000	9,244	\$ 94,244
FY 2001	85,000	3,081	88,081
	<u>\$ 170,000</u>	<u>12,325</u>	<u>\$ 182,325</u>

Energy Bonds	Principal	Interest	Payment
FY 2000	\$ 60,000	20,864	\$ 80,864
FY 2001	60,000	17,964	77,964
FY 2002	70,000	13,789	83,789
FY 2003	70,000	9,839	79,839
FY 2004 and thereafter	139,400	7,846	147,246
	<u>\$ 399,400</u>	<u>70,302</u>	<u>\$ 469,702</u>

In addition to the above changes in long term obligations, on June 15, 1999, the District retired \$320,000 in State Loan Revenue notes.

The Ohio Revised Code (ORC) provides that the net debt of a school district, whether or not approved by the people, shall not exceed 9.0% of the total value of all property in the District as listed and assessed for taxation. In addition, the unvoted net debt of a school district cannot exceed .1% of the total assessed value of property. the District 's unvoted debt limit is \$156,773. The voted debt limit at June 30, 1999 is \$14,109,603.

**13. CAPITAL LEASES**

The District is making installment payments on copiers purchased with an original cost of \$51,345. This equipment has been capitalized in the general fixed assets account group. This obligation provides for interest at a rate of 6% with an outstanding balance of \$53,296 at June 30, 1999.

Payment for the installment purchase obligations as of June 30, 1999, and related interest show the minimum future lease payments in total and for each of the next fixe years, presenting a deduction for the amount of imputed interest to reduce the net minimum future lease payments to their present value:

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**13. CAPITAL LEASES (Continued)**

	Principal (Present Value)	Interest	Payment (Future Value)
FY 2000	\$ 7,760	4,402	\$ 12,162
FY 2001	9,382	4,327	13,709
FY 2002	10,444	3,265	13,709
FY 2003	11,626	2,083	13,709
FY 2004 and thereafter	14,084	767	14,851
	<u>\$ 53,296</u>	<u>14,844</u>	<u>\$ 68,140</u>

**14. JOINTLY GOVERNED ORGANIZATIONS AND PUBLIC ENTITY RISK POOLS**

**Jointly Governed Organizations:**

**Metropolitan Educational Council** - MEC is a not for profit educational council whose primary purpose and objective is to contribute to the educational services available to school districts in Franklin County and surrounding areas by cooperative action membership. The governing board consists of a representative from each of the Franklin County districts. Districts outside of Franklin County are associate members and each county selects a single district to represent them on the governing board. MEC is its own fiscal agent. The District does not have an ongoing financial interest in or ongoing financial responsibility for MEC. MEC provides computer services to the District.

**Fairfield County Council for Educational Collaboration** - In accordance with the provisions of Ohio Revised Code 167 and 124.81, certain boards of education and institutions of higher education, within Fairfield County, have determined to enter into an agreement to form a council of governments. This council of governments shall be known as the Fairfield County Council for Educational Collaboration.

The purpose of the Fairfield County Council for Educational Collaboration is to bring together the public school systems and public institution for higher education in Fairfield County so they can collectively devise and provide for enhanced educational opportunities for the students and citizens of the community. The areas of interest that may be addressed by the Council include, but are not limited to, student programming, school management issues, and any other collaborative projects deemed appropriate by the governing body of the Council.

The District appoints the superintendent to be its representative to the Board of Directors of this council.

The District has no ongoing financial interest or financial responsibility to the Fairfield County Council for Educational Collaboration.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**14. JOINTLY GOVERNED ORGANIZATIONS AND PUBLIC ENTITY RISK POOLS (Continued)**

**South Central Ohio Insurance Consortium** - The South Central Ohio Insurance Consortium (SCOIC) is a Regional Council of Governments organized under Ohio Revised Code Chapter 167. The SCOIC's primary purpose and objective is establishing and carrying out a cooperative health program for its member organizations. The governing board consists of the superintendent or other designee appointed by each of the members of the SCOIC. The District does not have an ongoing financial interest in or ongoing financial responsibility for the SCOIC other than claims paid on behalf of the District for District employees.

**Central Ohio Special Education Regional Resource Center** - The Central Ohio Special Education Regional Resource Center (COSERC) is a not-for-profit Council of Governments of various school districts in Central Ohio. The District participates in services that assist the District in complying with Mandates of Public Law 101-476 and Public Law 99-457 for educating children with disabilities. There is no financial commitment made by the District. COSERC is not dependent upon the continued participation of the District and the District does not maintain an equity interest in or financial responsibility for COSERC.

**Public Entity Risk Pools:**

The 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.

**15. CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

The District is not a party to any legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending at June 30, 1999.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**16. SEGMENTS OF ENTERPRISE ACTIVITIES**

Key financial data for the District's Enterprise Funds for the year ended June 30, 1999, are as follows:

	Lunchroom Fund	Uniform Supplie Fund	Total Enterprise Funds
	<u>          </u>	<u>          </u>	<u>          </u>
Operating Revenues:	\$ 204,243	3,536	\$ 207,779
Operating Expenses:			
Depreciation	(2,911)	0	(2,911)
Other Expenses	(279,318)	(10,681)	(289,999)
Total Operating Expenses	<u>(282,229)</u>	<u>(10,681)</u>	<u>(292,910)</u>
Operating Loss	(77,986)	(7,145)	(85,131)
Non Operating Revenues and			
Grants	31,936	0	31,936
Donated Commodities	31,186	0	31,186
Earnings on Investment	1,038	0	1,038
Refund of Prior Years Expense	10	0	10
Transfers Out	0	(1,713)	(1,713)
Net Loss	<u>\$ (13,816)</u>	<u>(8,858)</u>	<u>\$ (22,674)</u>
Net Working Capital	\$ 15,964	0	\$ 15,964
Total Assets	\$ 138,416	0	\$ 138,416
Long Term Compensated Absences	\$ 3,164	0	\$ 3,164
Contributed Capital	\$ 114,813	0	\$ 114,813
Total Fund Equity	\$ (15,173)	0	\$ (15,173)

**17. INCOME TAX**

The District levies a voted tax of .75 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 1998, and is a continuing tax. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax revenue of \$1,275,403 was credited to the General Fund during fiscal year 1999.

**18. SCHOOL FUNDING DECISION**

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the District. During the fiscal year ended June 30, 1999, the District received \$3,490,100 of school foundation support for its general fund.



**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999  
(Continued)**

**18. SCHOOL FUNDING DECISION (Continued)**

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County is currently reviewing 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 this date, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

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

**19. STATUTORY RESERVES**

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

	Textbook Acquisition	Capital Acquisition	Budget Stabilization	Total
Set aside Cash Balance as of June 30, 1998	\$0	\$0	\$42,926	\$42,926
Current Year Set-Aside Requirement	118,461	118,461	59,320	296,242
Qualifying Disbursements	<u>(104,959)</u>	<u>(303,424)</u>	<u>0</u>	<u>(408,383)</u>
Total	<u>13,502</u>	<u>(184,963)</u>	<u>102,246</u>	<u>(69,215)</u>
Cash Balance Carried Forward to FY 1999	<u>\$13,502</u>	<u>\$0</u>	<u>\$102,246</u>	
Amount Restricted for Textbook Acquisition and Budget Stabilization				<u>\$115,748</u>
Total Restricted Assets				<u>\$115,748</u>

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

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

Board of Education  
Bloom Carroll Local School District  
Fairfield County  
69 Beaver Street  
Carroll, Ohio 43112

We have audited the general-purpose financial statements of the Bloom Carroll Local School District, Fairfield County, Ohio (the District) as of and for the year ended June 30, 1999, and have issued our report thereon dated February 12, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated February 12, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the 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 District in a separate letter dated February 12, 2001.

Board of Education  
Report on Compliance and on Internal Control Required by  
*Government Auditing Standards*  
Bloom Carroll Local School District  
Fairfield County  
Page 2

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

**JIM PETRO**  
Auditor of State

February 12, 2001



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

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

**BLOOM CARROLL LOCAL SCHOOL DISTRICT**

**FAIRFIELD 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  
MARCH 6, 2001**