



**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Bryan City School District
Williams County
1350 Fountain Grove Drive
Bryan, Ohio 43506-8733

To the Board of Education:

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

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Bryan City School District, Williams County, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2000, 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.

As described in Note 4, the District reclassified its Nonexpendable Trust Fund to an Expendable Trust Fund due to changes made by the donor.

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

Jim Petro
Auditor of State

November 28, 2000

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**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
FOR THE YEAR ENDED JUNE 30, 2000**

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
ASSETS AND OTHER DEBITS:				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$1,330,468	\$262,386	\$1,492,216	\$97,136
Cash and Cash Equivalents:				
With Fiscal Agents		2,398		
Receivables:				
Taxes	6,586,686		476,883	
Accounts	521			
Intergovernmental	1,000			
Materials and Supplies Inventory				
Fixed Assets (Net of Accumulated Depreciation, Where Applicable)				
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	151,316			
Other Debits:				
Amount Available in Debt Service Fund for Retirement of Long Term Obligations				
Amount to be Provided From General Government Resources				
Total Assets and Other Debits	<u>\$8,069,991</u>	<u>\$264,784</u>	<u>\$1,969,099</u>	<u>\$97,136</u>
LIABILITIES, FUND EQUITY, AND OTHER CREDITS:				
Liabilities				
Accounts Payable	\$60,598	\$4,052		\$3,741
Accrued Wages and Benefits	862,797	33,604		
Compensated Absences Payable	10,590			
Intergovernmental Payable	235,847			
Deferred Revenue	5,746,894		\$431,489	
Due to Students				
General Obligation Bonds Payable				
Total Liabilities	<u>6,916,726</u>	<u>37,656</u>	<u>431,489</u>	<u>3,741</u>
Fund Equity and Other Credits:				
Investment in General Fixed Assets				
Retained Earnings:				
Unreserved				
Fund Balances:				
Reserved:				
Reserved for Encumbrances	301,457	57,241		93,136
Reserved for Property Taxes	839,792		45,394	
Reserved for Debt Service			1,492,216	
Reserved for Budget Stabilization	151,316			
Unreserved, Undesignated	(139,300)	169,887		259
Total Fund Equity and Other Credits	<u>1,153,265</u>	<u>227,128</u>	<u>1,537,610</u>	<u>93,395</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$8,069,991</u>	<u>\$264,784</u>	<u>\$1,969,099</u>	<u>\$97,136</u>

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

<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Types</u>	<u>Account Groups</u>	<u>General Long-Term Obligations</u>	<u>Totals (Memorandum Only)</u>
<u>Enterprise</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>		
\$147,200	\$35,615			\$3,365,021
				2,398
				7,063,569
15,304				15,825
				1,000
25,640				25,640
69,283		\$18,931,397		19,000,680
				151,316
			\$1,492,216	1,492,216
			3,328,423	3,328,423
<u>\$257,427</u>	<u>\$35,615</u>	<u>\$18,931,397</u>	<u>\$4,820,639</u>	<u>\$34,446,088</u>
\$16,084				\$68,391
22,375			\$1,744,249	912,485
32,053			76,390	1,777,214
8,906				344,290
	\$34,235			6,187,289
			3,000,000	34,235
				3,000,000
<u>79,418</u>	<u>34,235</u>		<u>4,820,639</u>	<u>12,323,904</u>
		\$18,931,397		18,931,397
178,009				178,009
				451,834
				885,186
				1,492,216
				151,316
	1,380			32,226
<u>178,009</u>	<u>1,380</u>	<u>18,931,397</u>		<u>22,122,184</u>
<u>\$257,427</u>	<u>\$35,615</u>	<u>\$18,931,397</u>	<u>\$4,820,639</u>	<u>\$34,446,088</u>

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2000**

	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>
Revenues:		
Intergovernmental	\$4,993,573	\$481,001
Interest	248,574	4,149
Tuition and Fees	34,412	
Rent	14,171	
Extracurricular Activities		296,632
Gifts and Donations		33,239
Property and Other Local Taxes	7,544,632	
Miscellaneous	13,425	
Total Revenues	<u>12,848,787</u>	<u>815,021</u>
Expenditures:		
Current:		
Instruction:		
Regular	7,074,252	51,859
Special	1,014,384	297,933
Vocational	121,678	
Adult/Continuing		27,697
Other	56,890	
Support Services:		
Pupils	824,777	69,546
Instructional Staff	569,624	26,240
Board of Education	19,287	
Administration	1,328,818	22,968
Fiscal	315,467	
Business	59,209	
Operation and Maintenance of Plant	1,384,864	645
Pupil Transportation	328,109	
Central	24,905	399
Non-Instructional Services		752
Extracurricular activities	203,717	283,404
Capital Outlay	198,675	
Debt Service:		
Debt Service - Principal		
Debt Service - Interest		
Total Expenditures	<u>13,524,656</u>	<u>781,443</u>
Excess of Revenues Over/(Under) Expenditures	<u>(675,869)</u>	<u>33,578</u>
Other Financing Sources		
Proceeds from Sale of Fixed Assets	3,950	
Other Financing Sources	4,941	
Total Other Financing Sources	<u>8,891</u>	
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures	(666,978)	33,578
Fund Balance at Beginning of Year	<u>1,820,243</u>	<u>193,550</u>
Fund Balance at End of Year	<u>\$1,153,265</u>	<u>\$227,128</u>

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

<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
\$52,499	\$5,441		\$5,532,514
			252,723
			34,412
			14,171
			296,632
			33,239
571,761			8,116,393
			13,425
<u>624,260</u>	<u>5,441</u>		<u>14,293,509</u>
			7,126,111
			1,312,317
			121,678
			27,697
			56,890
	17,220		911,543
			595,864
			19,287
			1,351,786
15,338			330,805
			59,209
			1,385,509
			328,109
			25,304
			752
		\$1,910	489,031
	37,606		236,281
375,000			375,000
194,219			194,219
<u>584,557</u>	<u>54,826</u>	<u>1,910</u>	<u>14,947,392</u>
<u>39,703</u>	<u>(49,385)</u>	<u>(1,910)</u>	<u>(653,883)</u>
	131,000		134,950
			4,941
	<u>131,000</u>		<u>139,891</u>
39,703	81,615	(1,910)	(513,992)
1,497,907	11,780	3,290	3,526,770
<u>\$1,537,610</u>	<u>\$93,395</u>	<u>\$1,380</u>	<u>\$3,012,778</u>

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2000**

	General		Variance: Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Intergovernmental	\$4,992,750	\$4,992,573	(\$177)
Interest	250,000	248,574	(1,426)
Tuition and Fees	34,410	34,412	2
Rent	16,300	15,261	(1,039)
Extracurricular Activities			
Gifts and Donations			
Property and Other Local Taxes	7,484,638	7,474,810	(9,828)
Miscellaneous	32,000	12,904	(19,096)
Total Revenues	12,810,098	12,778,534	(31,564)
Expenditures:			
Current:			
Instruction:			
Regular	7,361,116	7,290,819	70,297
Special	1,034,779	996,246	38,533
Vocational	137,270	132,865	4,405
Adult/Continuing			
Other	67,000	56,890	10,110
Support Services:			
Pupils	866,081	846,639	19,442
Instructional Staff	602,730	564,282	38,448
Board of Education	20,870	19,087	1,783
Administration	1,426,416	1,399,943	26,473
Fiscal	335,597	322,075	13,522
Business	64,233	60,301	3,932
Operation and Maintenance of Plant	1,557,963	1,448,062	109,901
Pupil Transportation	437,101	415,583	21,518
Central	25,524	25,077	447
Non-Instructional Services			
Extracurricular Activities	209,100	202,974	6,126
Capital Outlay	310,600	308,619	1,981
Debt Service:			
Debt Service - Principal			
Debt Service - Interest			
Total Expenditures	14,456,380	14,089,462	366,918
Excess of Revenues Over (Under) Expenditures	(1,646,282)	(1,310,928)	335,354
Other Financing Sources			
Proceeds from Sale of Fixed Assets	3,950	3,950	
Other Financing Sources	4,900	4,941	41
Total Other Financing Sources	8,850	8,891	41
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(1,637,432)	(1,302,037)	335,395
Fund Balances at Beginning of Year	2,040,885	2,040,885	
Prior Year Encumbrances Appropriated	380,881	380,881	
Fund Balances at End of Year	\$784,334	\$1,119,729	\$335,395

Special Revenue			Debt Service		
Budget	Actual	Variance: Favorable (Unfavorable)	Budget	Actual	Variance: Favorable (Unfavorable)
\$472,200	\$472,196	(\$4)	\$52,500	\$52,499	(\$1)
3,064	5,483	2,419			
297,005	296,632	(373)			
33,300	33,240	(60)	568,200	567,906	(294)
<u>805,569</u>	<u>807,551</u>	<u>1,982</u>	<u>620,700</u>	<u>620,405</u>	<u>(295)</u>
76,650	57,106	19,544			
316,068	304,857	11,211			
32,300	29,464	2,836			
129,343	94,431	34,912			
14,452	14,452				
23,019	22,991	28	15,750	15,338	412
772	772				
399	399				
752	752				
367,410	312,188	55,222			
			375,000	375,000	
			194,225	194,219	6
<u>961,165</u>	<u>837,412</u>	<u>123,753</u>	<u>584,975</u>	<u>584,557</u>	<u>418</u>
<u>(155,596)</u>	<u>(29,861)</u>	<u>125,735</u>	<u>35,725</u>	<u>35,848</u>	<u>123</u>
(155,596)	(29,861)	125,735	35,725	35,848	123
207,535	207,535		1,456,368	1,456,368	
23,419	23,419				
<u>\$75,358</u>	<u>\$201,093</u>	<u>\$125,735</u>	<u>\$1,492,093</u>	<u>\$1,492,216</u>	<u>\$123</u>

(Continued)

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2000
(Continued)**

	<u>Capital Projects</u>		Variance: Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	
Revenues:			
Intergovernmental			
Interest			
Tuition and Fees			
Rent			
Extracurricular Activities			
Gifts and Donations			
Property and Other Local Taxes			
Miscellaneous			
Total Revenues			
Expenditures:			
Current:			
Instruction:			
Regular			
Special			
Vocational			
Adult/Continuing			
Other			
Support Services:			
Pupils	\$11,779	\$11,779	
Instructional Staff			
Board of Education			
Administration			
Fiscal			
Business			
Operation and Maintenance of Plant			
Pupil Transportation			
Central			
Non-Instructional Services			
Extracurricular Activities			
Capital Outlay	131,000	127,000	\$4,000
Debt Service:			
Debt Service - Principal			
Debt Service - Interest			
Total Expenditures	<u>142,779</u>	<u>138,779</u>	<u>4,000</u>
Excess of Revenues Over (Under) Expenditures	<u>(142,779)</u>	<u>(138,779)</u>	<u>4,000</u>
Other Financing Sources			
Proceeds from Sale of Fixed Assets	131,000	131,000	
Other Financing Sources			
Total Other Financing Sources	<u>131,000</u>	<u>131,000</u>	
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	<u>(11,779)</u>	<u>(7,779)</u>	<u>4,000</u>
Fund Balances at Beginning of Year	9,950	9,950	
Prior Year Encumbrances Appropriated	<u>1,829</u>	<u>1,829</u>	
Fund Balances at End of Year		<u>\$4,000</u>	<u>\$4,000</u>

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

Expendable Trust			Totals (Memorandum Only)		
Budget	Actual	Variance: Favorable (Unfavorable)	Budget	Actual	Variance: Favorable (Unfavorable)
			\$5,517,450	\$5,517,268	(\$182)
			253,064	254,057	993
			34,410	34,412	2
			16,300	15,261	(1,039)
			297,005	296,632	(373)
			33,300	33,240	(60)
			8,052,838	8,042,716	(10,122)
			32,000	12,904	(19,096)
			14,236,367	14,206,490	(29,877)
			7,437,766	7,347,925	89,841
			1,350,847	1,301,103	49,744
			137,270	132,865	4,405
			32,300	29,464	2,836
			67,000	56,890	10,110
			1,007,203	952,849	54,354
			617,182	578,734	38,448
			20,870	19,087	1,783
			1,449,435	1,422,934	26,501
			351,347	337,413	13,934
			64,233	60,301	3,932
			1,558,735	1,448,834	109,901
			437,101	415,583	21,518
			25,923	25,476	447
			752	752	
\$3,002	\$1,910	\$1,092	579,512	517,072	62,440
			441,600	435,619	5,981
			375,000	375,000	
			194,225	194,219	6
3,002	1,910	1,092	16,148,301	15,652,120	496,181
(3,002)	(1,910)	1,092	(1,911,934)	(1,445,630)	466,304
			134,950	134,950	
			4,900	4,941	41
			139,850	139,891	41
(3,002)	(1,910)	1,092	(1,772,084)	(1,305,739)	466,345
1,788	1,788		3,716,526	3,716,526	
1,502	1,502		407,631	407,631	
\$288	\$1,380	\$1,092	\$2,352,073	\$2,818,418	\$466,345

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 2000**

	Proprietary Fund Type
	Enterprise
Operating Revenues:	
Sales	\$489,381
Other Revenues	13,135
Total Operating Revenues	502,516
Operating Expenses:	
Salaries	176,593
Fringe Benefits	64,289
Purchased Services	2,697
Materials and Supplies	418,102
Depreciation	20,043
Total Operating Expenses	681,724
Operating Loss	(179,208)
Non-Operating Revenues/(Expenses):	
Federal Donated Commodities	57,776
Federal and State Subsidies	118,767
Interest	2,936
Loss on Sale of Fixed Assets	(2,480)
Total Non-Operating Revenues/(Expenses)	176,999
Net Loss	(2,209)
Retained Earnings at Beginning of Year	180,218
Retained Earnings at End of Year	\$178,009

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

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 2000**

	Proprietary Fund Type
	Enterprise
DECREASE IN CASH AND CASH EQUIVALENTS:	
Cash Flows from Operating Activities:	
Cash Received from Sales	\$490,131
Other Cash Receipts	13,135
Cash Payments to Suppliers for Goods & Services	(354,825)
Cash Payments for Contract Services	(2,697)
Cash Payments for Employee Services	(186,645)
Cash Payments for Employee Benefits	(63,124)
Net Cash Used for Operating Activities	(104,025)
Cash Flows from Noncapital Financing Activities:	
Operating Grants Received	119,429
Net Cash Provided by Noncapital Financing Activities	119,429
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Capital Assets	(4,526)
Cash Flows from Investing Activities:	
Interest on Investments	2,936
Net Increase in Cash and Cash Equivalents	13,814
Cash and Cash Equivalents at Beginning of Year	133,386
Cash and Cash Equivalents at End of Year	\$147,200
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:	
Operating Loss	(\$179,208)
Adjustments to Reconcile Operating Loss To Net Cash Used for Operating Activities:	
Depreciation	20,043
Donated Commodities Used During the Year	57,776
Adjustments to Capital Outlay	501
(Increase) Decrease in Assets:	
Accounts Receivable	750
Material and Supplies Inventory	11,989
Increase (Decrease) in Liabilities:	
Compensated Absences Payable	2,240
Intergovernmental Payable	(745)
Deferred Revenue	(4,176)
Accounts Payable	(2,812)
Accrued Wages and Benefits	(10,383)
Total Adjustments	75,183
Net Cash Used for Operating Activities	(\$104,025)

The Food Service Fund consumed donated commodities with a value of \$57,776.
The use of these commodities is reflected as an operating expense.

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

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**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

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

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Bryan City School 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. Bryan City School District is a city district as defined by § 3311.22 of the Ohio Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District. The Board oversees the operations of the District's seven instructional/support facilities.

The Reporting Entity

The reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. This includes general operations, food service, 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. The District does not have any component units.

The District is associated with organizations, which are defined as jointly governed organizations and group purchasing pools. These organizations include the Northwest Ohio Computer Association, the Northern Buckeye Education Council, the Four County Joint Vocational School, Cisco Academy of Northwest Ohio, the Northern Buckeye Education Council's Employee Insurance Benefits Program, and the Northern Buckeye Education Council Workers' Compensation Group Rating Plan. These organizations are presented in Notes 13 and 14 to the general-purpose financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The modified accrual basis of accounting is followed for Governmental, Expendable Trust, and Agency Funds. The measurement focus is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income determination. Under this basis of accounting:

1. Only current assets and current liabilities are generally included on their balance sheets.
2. Operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.
3. Revenues are recognized when they become both measurable and available to finance expenditures for the current period, which for the District is 60 days after year end.

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**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
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- a. Revenue accrued at the end of the year included taxes, interest, student fees, and tuition.
 - b. Property taxes measurable but not available as of June 30, 2000, and delinquent property taxes, whose availability is indeterminate, have been recorded as deferred revenues.
4. Expenditures are recognized in the period in which the fund liability is incurred with the following exceptions: general long-term obligation principal and interest are reported only when due; the current costs of accumulated unpaid vacation and sick leave are reported in the period in which they will be liquidated with available financial resources, rather than in the period earned by employees.

The Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity.

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. 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.

B. Fund Accounting

The District maintains its accounting in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity, which stands separate from the activities reporting in other funds. The restrictions associated with each class of funds are as follows:

1. Governmental Funds

The funds through which most Board of Education functions are typically financed.

General Fund - The fund used to account for all financial resources except those required to be segregated and accounted for in other funds. The General Fund is the general operating fund of the District.

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

Debt Service Funds - The funds used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. According to the governmental accounting principles, the Debt Service Fund accounts for the payment of long-term debt for Governmental Funds only. Under Ohio law, the Debt Service Fund might also be used

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to account for the payment of debt for Proprietary Funds and the short-term debt of both Governmental and Proprietary Funds.

Capital Projects Funds - The funds 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 and Nonexpendable Trust Funds).

2. Fiduciary Funds

The funds used to account for assets not owned by the Board, but held for a separate entity.

Trust Funds - The funds used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These may include Expendable Trust Funds and Nonexpendable Trust Funds.

Agency Funds - The funds used to account for assets held by the District as an agent.

3. Proprietary Funds

The funds used to account for Board activities that are similar to business operations in the private sector. Proprietary Funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Proprietary fund measurement focus is upon determination of net income, financial position and cash flows.

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

4. Account Groups

General Fixed Assets - Fixed assets acquired or constructed for general governmental services are recorded as expenditures in the fund making the expenditures and capitalized at cost in the General Fixed Assets Account Group.

General Long-Term Obligations - This group of accounts is established to account for all long-term obligations of the District except those accounted for in the Proprietary Funds.

C. Budgetary Accounting

Budgets are adopted on a cash basis.

The District is required by State statute to adopt an annual appropriation budget for all funds. The specific timetable is as follows:

1. Prior to January 15, the Treasurer submits 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. A public hearing is publicized and conducted to obtain

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taxpayers' comments. The purpose of this Budget document is to reflect the need for existing (or increased) tax rates.

2. By no later than January 20, the Board adopted budget is filed with the County Budget Commission for rate determination.
3. Prior to 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. The annual appropriation measure (the true operating budget) is then developed at the fund, function, and object level of expenditures, which are the legal levels of budgetary control.
4. By July 1, the annual appropriation measure for all funds is legally enacted by the Board of Education. After a public hearing is held the appropriation measure, by law, may not exceed the Certificate of Estimated Resources. The Certificate may be amended to include actual unencumbered balances at the June 30 fiscal year end or if projected increases or decreases in revenue are identified by the District during the year.
5. The District maintains budgetary control by not permitting expenditures to exceed appropriations within each fund, function, and object without approval of the Board of Education. The Board permits management to make discretionary budgetary adjustments within each fund, which are approved by the Board on a monthly basis. Any adjustments that alter the total fund appropriation require specific action of the Board.
6. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund level.

The District's budget (budget basis) for all funds accounts for certain transactions on a basis, which differs from generally accepted accounting principles (GAAP basis). The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash for budget purposes as opposed to when susceptible to accrual for GAAP purposes.
2. Expenditures and expenses are recorded when paid in cash or encumbered for budget purposes as opposed to when the liability is incurred for GAAP purposes.

An analysis of the difference between GAAP and budgetary basis for all governmental fund types and expendable trust funds for the year ended June 30, 2000, follows:

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Excess of Revenues and Other Financing Sources
Over/(Under) Expenditures

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
Budget Basis	(\$1,302,037)	(\$29,861)	\$35,848	(\$7,779)	(\$1,910)
Revenue Accruals	70,253	7,470	3,855	5,441	
Expenditure Accruals	202,751	(5,324)		(9,183)	
Encumbrances	362,055	61,293		93,136	
GAAP Basis	<u>(\$666,978)</u>	<u>\$33,578</u>	<u>\$39,703</u>	<u>\$81,615</u>	<u>(\$1,910)</u>

D. Encumbrances

The District is required to use the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated.

E. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. 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 cash equivalents" on the combined balance sheet.

During fiscal year 2000, investments were limited to STAR Ohio.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2000. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2000.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2000 amounted to \$248,574.

For purposes of the combined statement of cash flows, 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. For the purpose of reporting cash flows, cash and cash equivalents are defined as equity in pooled cash and cash equivalents as these amounts are available for immediate withdrawal.

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F. Inventory

Inventories are valued at the lower of cost (first in, first out) or market, and are determined by physical count. Inventory in Governmental Funds consists of expendable supplies held for consumption. The cost has been recorded as an expenditure at the time individual inventory items were purchased. Reported inventories in these funds are equally offset by a fund balance reserve, which indicates they are unavailable for appropriation. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

G. Property, Plant and Equipment

1. General Fixed Assets Account Group

General fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year in the General Fixed Assets Account Group. Contributed fixed assets are recorded at their fair market values as of the date donated. The District follows the policy of not capitalizing assets with a cost of less than \$500. No depreciation is recognized for assets in the General Fixed Assets Account Group.

Public Domain ("infrastructure") general fixed assets consisting of curbs, gutters, sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government. The District does not have any infrastructure.

2. Proprietary Funds

Property plant and equipment reflected in the Proprietary Funds are stated at historical cost (or estimated historical cost) and updated for the cost of additions and retirements during the year. Contributed fixed assets are recorded at their fair market values as of the date donated. Depreciation has been provided for furniture, fixtures, and equipment on a straight-line basis over an estimated useful life of five to twenty years.

H. Intergovernmental Revenues

In Governmental Funds, entitlements and non-reimbursable grants 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. Grants for Proprietary Fund operations are recognized as revenue when measurable and earned. This District currently participates in various state and federal programs, categorized as follows:

Entitlements

General Fund
State Foundation Program

Non-Reimbursable Grants

Special Revenue Funds
Auxiliary Services
Teacher Development

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Management Information Systems
Drug Free Grant
Title I
Title VI
Title VI-B
Textbook /Instructional Materials Subsidy
Eisenhower Grant
Preschool Disability Grant
Ohio Reads Grant
Safe Schools Help Line
Learn and Serve Grant
State Improvement Grant
Title VIR

Capital Projects

SchoolNet

Reimbursable Grants

General Fund

Driver Education Reimbursement
School Bus Reimbursement
Vocational Education Equipment Fund

Enterprise Fund

National School Lunch Program
Government Donated Commodities

I. Interfund Transactions

During the course of normal operations, the District has numerous transactions between funds. The most significant include:

1. Transfers of resources from one fund to another fund through which resources are to be expended are recorded as operating transfers.
2. Reimbursements from one fund to another are treated as expenditures/expenses in the reimbursing fund and a reduction in expenditures/expenses in the reimbursed fund.
3. Short-term interfund loans are reflected as interfund receivables and interfund payables.

J. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by statute to be set-aside by the District to create a reserve for textbooks and instructional materials, capital improvements, and budget stabilization. See Note 15 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

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K. Fund Balance Reserves

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

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures.

L. Concentration of Credit Risk

Financial instruments, which potentially subject the District to concentrations of credit risk, consist primarily of taxes receivable.

M. Compensated Absences

The District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 16, "Accounting for Compensated Absences". In conformity with GASB Statement No. 16, the District accrues vacation as earned by its employees if the leave is attributable to past service and it is probable that the District will compensate the employees for the benefits through paid time or some other means, such as cash payments at termination or retirement. Likewise, the District accrues for sick pay benefits as earned by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future. These compensated absences are measured using the rates in effect at June 30, 2000.

For governmental funds, the District provides a liability for unpaid accumulated sick leave and vacation time for eligible employees in the period the employees become eligible to receive payment. The current portion of unpaid compensated absences is the amount to be paid using expendable available resources and is reported as an accrued liability in the fund from which the individuals who have accumulated the unpaid compensated absences are paid. The balance of the liability is reported in the General Long-Term Obligations Account Group. In proprietary funds, compensated absences are expensed when earned. The entire amount of unpaid compensated absences is reported as a fund liability.

N. 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.

O. Pass-Through Grants

The Eisenhower and Handicapped Preschool special revenue funds are pass-through grants in which the Northwest Ohio Educational Service Center is the primary recipient. In accordance with GASB Statement 24 "Accounting and Financial Reporting of Certain Grants and Other Financial Assistance"

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the secondary recipients should report monies spent on their behalf by the primary recipient as revenue and operating expenses.

P. Total Columns on Financial Statements

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This information is not comparable to a consolidation. Interfund-type eliminations have not been made in the combining of the data.

NOTE 3 - EQUITY IN POOLED CASH AND INVESTMENTS

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 withdrawal on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

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

Interim monies may be 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 any securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and to be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;

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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 through eligible institutions and,
6. The State Treasurer's investment pool (STAR Ohio).
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time.

Investments in stripped principal or interest obligations, reverse purchase 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, 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 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements".

A. Deposits

At the year-end, the carrying amount of the District's deposits was \$6,821 and the bank balance was \$374,388. Of the bank balance:

1. \$100,501 was covered by Federal Depository Insurance; and
2. \$273,887 was collateralized by securities specifically pledged by the financial institution in the name of the District.

B. 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 and 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.

Investments as of June 30, 2000, were as follows:

	<u>Carrying Value</u>	<u>Fair Value</u>
STAR Ohio	<u>\$3,509,516</u>	<u>\$3,509,516</u>

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The State Treasurer's Investment Pool (STAR Ohio) is not a categorized investment because it is not evidenced by securities that exist in physical or book entry form.

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 Nonexpendable 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	Investments
GASB Statement 9	\$3,518,735	
Cash with Fiscal Agents	(2,398)	
Investments:		
Star Ohio	(3,509,516)	\$3,509,516
GASB Statement 3	\$6,821	\$3,509,516

NOTE 4 - RESTATEMENT OF FUND BALANCES

Certain interfund receivables and payables reported in prior years were determined to have been overstated.

An intergovernmental receipt was inadvertently posted to the wrong fund in fiscal year 1999.

The District reclassified its Nonexpendable Trust Fund to an Expendable Trust Fund due to changes in the trust agreement.

The restatements to the opening fund balances are as follows:

	General	Special Revenue	Expendable Trust	Nonexpendable Trust
Fund Balances originally stated, June 30, 1999	\$1,872,851	\$140,942		\$3,290
Prior period adjustment	(52,608)	52,608	3,290	(3,290)
Restated Fund Balances, July 1, 2000	\$1,820,243	\$193,550	\$3,290	

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	General	Special Revenue	Expendable Trust	Nonexpendable Trust
Deficiency of Revenues and Other Financing Sources Under Disbursements and Other Financing Uses originally stated, for the period July 1, through June 30, 1999	(\$326,104)	(\$40,367)		(\$352)
Prior period adjustment	(50,000)	50,000	(\$352)	352
Restated Excess of Revenues and Other Financing Sources Over/(Under) Disbursements and Other Financing Uses, for the period July 1 through June 30, 1999	<u>(\$376,104)</u>	<u>\$9,633</u>	<u>(\$352)</u>	

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against real, public utility, and tangible property located within the District. All property is required to be reappraised every six years with a triennial update.

Real property taxes, excluding public utility property, are assessed at 35 percent of appraised market value. Pertinent real property tax dates are:

Collection Dates	January and July of the current year
Lien Date	January 1 of the year preceding the collection year
Levy Date	October 1 of the year preceding the collection year

Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value.

The taxes are based on assessed values determined at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year. Pertinent tangible personal property tax dates are:

Collection Dates	April and September of the current year
Lien Date	January 1 of the current year
Levy Date	October 1 of the year preceding the collection year

Most public utility tangible personal property currently is assessed at 35 percent of its true value. Pertinent public utility tangible personal property tax dates are:

Collection Dates	January and July of the current year
Lien Date	December 31 of the second year preceding the collection year
Levy Date	October 1 of the year preceding the collection year

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The County Treasurer collects real estate property taxes on behalf of all taxing districts within the County. The County Auditor periodically remits to the District its portion of the taxes collected with final settlement in March and September.

The County Treasurer collects personal property taxes on behalf of all taxing districts within the County. The County Auditor periodically remits to the District its portion of the taxes collected with final settlement in May and October.

Taxes receivable represent current and delinquent real property, tangible personal property, and public utility property taxes, which are measurable at June 30, 2000. These taxes are intended to finance the next fiscal year's operations, and are therefore offset by a credit to deferred revenue, except for the portion, which is available to advance as of June 30, 2000.

The assessed values of properties upon which property tax revenues were based are as follows:

	Amount
Agricultural/Residential	\$135,866,460
Commercial/Industrial	43,235,210
Public Utility	12,286,150
General Personal Property	56,926,440
Total valuation	\$248,314,260

NOTE 6 - FIXED ASSETS

A summary of changes in the General Fixed Assets Account Group is as follows:

Asset Category	Balance as originally stated at 6/30/99	Adjustments	Balance as restated at 7/1/99	Additions	Disposals	Balance at 6/30/00
Land/Improvements	\$541,776	(\$195,798)	\$345,978	\$34,703		\$380,681
Buildings/Improvements	13,206,015	(568,274)	12,637,741	1,699,728	(\$225,417)	14,112,052
Furniture and Equipment	3,727,088	(657,976)	3,069,112	555,315	(49,881)	3,574,546
Vehicles	870,932		870,932	21,038	(27,852)	864,118
Totals	\$18,345,811	(\$1,422,048)	\$16,923,763	\$2,310,784	(\$303,150)	\$18,931,397

The adjustment column is needed to record fixed assets that should have been excluded from the June 30, 1999, balance.

A summary of changes in the Enterprise Fund fixed assets is as follows:

Asset Category	Balance at 6/30/00
Furniture and Equipment	\$265,052
Less: Accumulated Depreciation	(195,769)
Totals	\$69,283

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NOTE 7 - LONG-TERM OBLIGATIONS

During the year ended June 30, 2000, the following changes occurred in obligations reported in the General Long-Term Obligations Account Group:

	Balance at July 1, 1999	Additions	Deductions	Balance at June 30, 2000
General Obligation Bonds	\$3,375,000		\$375,000	\$3,000,000
Intergovernmental Payable	62,562	\$13,828		76,390
Compensated Absences	1,559,611	184,638		1,744,249
Total Long-Term Obligations	<u>\$4,997,173</u>	<u>\$198,466</u>	<u>\$375,000</u>	<u>\$4,820,639</u>

Debt outstanding at June 30, 2000, consisted of General Obligation Bonds totaling \$3,000,000 (interest rate at June 30, 2000, was 5.9 percent). The bonds were issued in March 1987 and will mature in December 2007.

Total expenditures for interest for the above debt for the period ended June 30, 2000, was \$194,219.

The scheduled payments of principal and interest on debt outstanding at June 30, 2000, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2001	\$375,000	\$172,312	\$547,312
2002	375,000	149,625	524,625
2003	375,000	126,563	501,563
2004	375,000	103,125	478,125
2005	375,000	79,406	454,406
thereafter	1,125,000	101,250	1,226,250
Total	<u>\$3,000,000</u>	<u>\$732,281</u>	<u>\$3,732,281</u>

NOTE 8 - COMPENSATED ABSENCES

Employees earn vacation at rates specified under State of Ohio law and based on credited service. Clerical, Technical, and Maintenance and Operation employees with one or more years of service are entitled to vacation ranging from 10 to 20 days. Certain employees are permitted to carry over vacation leave earned in the current year into the next year.

All employees are entitled to a sick leave credit equal to one and one-quarter days for each month of service (earned on a pro rata basis for less than full-time employees). This sick leave will either be absorbed by time off due to illness or injury or, within certain limitations, be paid to the employee upon retirement. The amount paid to an employee upon retirement is limited to thirty percent of the accumulated sick leave for all certificated and certain non-certificated employees up to a maximum of 72 days, and twenty-five percent of the accumulated sick leave for all other non-certificated employees, to a maximum of 40 days.

At June 30, 2000, the current amount of unpaid compensated absences in all funds, except for the proprietary funds, and the balance of the liability in the General Long-Term Obligations Account Group were

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\$10,590 and \$1,744,249, respectively. The liability for compensated absences in the proprietary funds at June 30, 2000, was \$22,375.

NOTE 9 - PENSION AND RETIREMENT PLANS

A. 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. The School Employees Retirement System 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 SERS, 45 North Fourth Street, Columbus, Ohio 43215 or by calling (614) 222-5853.

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 the annual covered payroll. For fiscal year 2000, 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, 2000, 1999, and 1998 were \$235,174, \$209,072, and \$203,050, respectively, 59 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$96,390 representing unpaid contributions for fiscal year 2000 is recorded as a liability within the respective funds and the general long-term obligations account group.

B. 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. That report may be obtained by writing to the STRS, 275 East Broad Street, Columbus, Ohio 43215-3771, or by calling (614) 227-4090.

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. Contribution rates are established by the State Teachers Retirement Board, upon recommendations 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, 2000, 1999, and 1998 were \$1,169,862, \$1,050,736, and \$1,024,157, respectively, 83 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$195,676 representing unpaid contribution for fiscal year 2000 is recorded as a liability within the respective funds.

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

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

NOTE 10 - POSTEMPLOYMENT BENEFITS

The State Teachers Retirement System (STRS) provides comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physician fees, prescription drugs and reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Revised Code, the State Teachers Retirement Board has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of health care costs in the form of a monthly premium.

The Revised Code grants authority to STRS to provide health care coverage to benefit recipients, spouses and dependents. By Ohio law, the cost of the coverage paid from STRS funds shall be included in the employer contribution rate, currently at 14 percent of covered payroll.

The Retirement Board allocates employer contributions equal to 2 percent of covered payroll to the Health Care Reserve Fund from which health care benefits are paid. However, for the fiscal year ended June 30, 1999, the board allocated employer contributions equal to 8 percent of covered payroll to Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$2.783 billion on June 30, 1999. The Health Care Reserve Fund allocation for the year ended June 30, 2000, will be 8 percent of covered payroll.

For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000. There were 95,796 eligible benefit recipients.

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

After the allocation for the basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. At June 30, 1999, the allocation rate is 6.30 percent. 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 1999, the minimum pay has been established as \$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.

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 1999 were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, the Retirement System's net assets available for payment of health care benefits were \$188.0 million. The number of participants currently receiving health care benefits is approximately 51,000.

The portion of District contributions that were used to fund postemployment benefits can be determined by multiplying actual employer contributions times .450, then adding the surcharge due as of June 30, 2000, as certified to the District by SERS.

For the District, the amount to fund postemployment benefits, including the surcharge equaled \$145,970 during the 2000 fiscal year.

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

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

NOTE 11 - INSURANCE

A. Comprehensive

The District maintains comprehensive insurance coverage with private carriers for liability, real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. In addition, real property contents are 100 percent co-insured.

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

B. Employee Insurance Benefits Program

The District participates in the Northern Buckeye Education Council Employee Insurance Benefits Program (the Program), a public entity shared risk pool consisting of school districts within Defiance, Fulton, Henry, and Williams Counties and other eligible governmental entities. The District pays monthly premiums to the Northern Buckeye Education Council (NBEC) for the benefits offered to its employees, which includes health, dental and life insurance. NBEC is responsible for the management and operations of the program. The agreement for the Program provides for additional assessments to participants if the premiums are insufficient to pay the program costs for the fiscal year. Upon withdrawal from the Program, a participant is responsible for any claims not processed and paid and any related administrative costs.

C. Workers' Compensation Group Program

The District participates in the Northern Buckeye Education Council Workers' Compensation Group Rating Plan (the Plan), an insurance purchasing pool (Note 14). The Plan is intended to reduce premiums for the participants. 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 Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate.

Participation in the Plan is limited to educational entities that can meet the Plan's selection criteria. Each participant must apply annually. The Plan provides the participants with a centralized program for the processing, analysis and management of workers' compensation claims and a risk management program to assist in developing safer work environments. Each participant must pay its premiums, enrollment or other fees, and perform its obligations in accordance with the terms of the agreement.

NOTE 12 - ENTERPRISE FUNDS SEGMENT INFORMATION

The District maintains three Enterprise Funds, which provide lunchroom/cafeteria services, uniform school supply services, and high school concession services. Segment information for the year ended June 30, 2000, was as follows:

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

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

	Food Service	Uniform School Supplies	Bryan High School Concessions	Total Enterprise Funds
Operating Revenues	\$406,821	\$82,560	\$13,135	\$502,516
Depreciation Expense	20,043			20,043
Operating Income (Loss)	(175,761)	(3,514)	67	(179,208)
Donated Commodities	57,776			57,776
Grants	118,767			118,767
Interest	2,936			2,936
Loss on Sale of Asset	(2,480)			(2,480)
Net Income (Loss)	1,238	(3,514)	67	(2,209)
Net Working Capital	69,160	38,284	1,282	108,726
Total Assets	217,861	38,284	1,282	257,427
Total Liabilities	79,418			79,418
Total Equity	138,443	38,284	1,282	178,009

NOTE 13- JOINTLY GOVERNED ORGANIZATIONS

A. Northwest Ohio Computer Association

The District is a participant in the Northwest Ohio Computer Association (NWOCA). NWOCA is an association of public school districts within the boundaries of Defiance, Fulton, Henry, and Williams Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. NWOCA is governed by the Northern Buckeye Education Council and its participating members. Financial information can be obtained from Cindy Siler, who serves as Treasurer, at 22-900 State Route 34, Archbold, Ohio 43502.

B. Northern Buckeye Education Council

The Northern Buckeye Education Council (NBEC) was established in 1979 to foster cooperation among various educational entities located in Defiance, Fulton, Henry, and Williams counties. NBEC is organized under Ohio laws as a regional council of governments pursuant to a written agreement entered into by its member educational entities and bylaws adopted by the representatives of the member educational entities. NBEC is governed by an elected Board consisting of two representatives from each of the four counties, in which the member educational entities are located. The Board is elected from an Assembly consisting of a representative from each participating educational entity. To obtain financial information write to the Northern Buckeye Education Council, Cindy Siler, who serves as Treasurer, at 22-900 State Route 34, Archbold, Ohio 43502.

C. Four County Joint Vocational School

The Four County Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the educational service centers from the counties of Defiance, Fulton, Henry, and Williams; one representative from each of the city school districts; one representative from each of the exempted village school districts;

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

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

and one additional representative from Fulton County educational service center. The Four County Joint Vocational School possesses its own budgeting and taxing authority. To obtain financial information write to the Four County Joint Vocational School, Michele Zeedyk, who serves as Treasurer, at Route 1, Box 245A, Archbold, Ohio 43502.

D. Cisco Academy of Northwest Ohio

The Cisco Academy of Northwest Ohio (the Academy) was established July 1, 1998, to foster cooperation toward joint training and other joint activities of mutual interest among certain educational entities located in Northwest Ohio. The Academy is organized under Ohio laws as a regional council of governments pursuant to a written agreement entered into by its member educational entities and bylaws adopted by representatives of the member educational entities. The Academy is governed by a management council consisting of a representative appointed from each participating member educational entity. The Board of Education of the Four County Career Center has been designated fiscal agent for the Academy. Financial information can be obtained from Michele Zeedyk, who serves as treasurer of the Four County Career Center, at 22-900 State Route 34, Archbold, Ohio 43502.

NOTE 14 - GROUP PURCHASING POOLS

A. Northern Buckeye Education Council's Employee Insurance Benefits Program

The Northern Buckeye Education Council's Employee Insurance Benefits Program includes health, dental, and life, and vision insurance plans. The health and dental plans are risk-sharing pools among approximately 30 members, and the life insurance plan is a group purchasing pool among 29 members. The purpose of the plans is for its members to pool funds or resources to purchase commercial insurance products and enhance the wellness opportunities for employees.

Each member pays a monthly premium amount, which is established annually by the Council, to the treasurer to comply with the terms of any contract with any third-party claims administrator or insurance company. The insurance group is governed by a council consisting of two representatives from each of the four counties, in which the member school districts are located. The degree of control exercised by any participating member is limited to its representation on the council.

In fiscal year 2000, the Bryan City School District contributed a total of \$1,145,441 for all four plans. Financial information can be obtained from Cindy Siler, who serves as Treasurer, at 22-900 State Route 34, Archbold, Ohio 43502.

B. Northern Buckeye Education Council's Worker's Compensation Group Rating Plan

The District participates in a group rating plan for worker's compensation as established under §4123.29 of the Ohio Revised Code. The Northern Buckeye Education Council's Worker's Compensation Group Rating Plan (WCGRP) was established through the Northern Buckeye Education Council (NBEC) as a group purchasing pool.

The WCGRP's business and affairs are conducted by a three member board of directors consisting of two Assembly representatives for each of the counties of Defiance, Fulton, Henry, and Williams and the representative of the member serving as fiscal agent for NBEC. The Executive Director of the Council shall coordinate the management and administration of the program. Each year, the

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

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

participating members pay an enrollment fee to WCGRP to cover the costs of administering the program.

NOTE 15 - SET-ASIDE CALCULATIONS AND FUND RESERVES

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

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>	<u>Totals</u>
Set-aside Cash Balance as of June 30, 1999			\$146,345	\$146,345
Current Year Set-aside Requirement	\$301,523	\$301,523	4,971	608,017
Current Year Offsets		(131,000)		(131,000)
Qualifying Disbursements	<u>(611,821)</u>	<u>(192,185)</u>		<u>(804,006)</u>
Total	<u>(\$310,298)</u>	<u>(\$21,662)</u>	<u>\$151,316</u>	<u>(180,644)</u>
Cash Balance Carried Forward to FY 2001	<u>(\$310,298)</u>		<u>\$151,316</u>	<u>(\$158,982)</u>
Amount restricted for Budget Stabilization				<u>\$151,316</u>
Total Restricted Assets				<u>\$151,316</u>

The District had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero. The negative amounts may be used to offset future year textbook set-aside requirements, however may not be used to reduce future capital set-aside requirements.

NOTE 16 – 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, 2000, the District received \$4,432,199 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

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

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

The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

As of the date of these financial statements, the 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.

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**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2000**

Federal Grantor <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number
U.S. DEPARTMENT OF AGRICULTURE		
<i>Passed Through Ohio Department of Education:</i>		
Nutrition Cluster:		
Food Distribution Program		10.550
National School Lunch Program	043679 04-PU 00	10.555
Total U.S. Department of Agriculture - Nutrition Cluster		
U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		
<i>Passed Through Ohio Department of Education:</i>		
Learn and Serve America Grant	043679 PG-S1-00	94.004
U.S. DEPARTMENT OF EDUCATION		
<i>Passed Through Ohio Department of Education:</i>		
Special Education Cluster:		
Special Education Grants to States (IDEA Part B)	043679 6B-SF 99P 043679 6B-SF 00P	84.027
Total Special Education Grants to States		
Special Education Preschool Grants (IDEA Preschool)	043679 SV-S1-00P	84.173
Total Special Education Cluster		
Grants to Local Educational Agencies (ESEA Title 1)	043679-C1-S1-99 043679-C1-S1-00	84.010
Total Grants to Local Educational Agencies		
Innovative Educational Program Strategies	043679-C2-S1-99 043679-C2-S1-00	84.298
Total Innovative Educational Program Strategies		
Drug-Free Schools Grant	043679-DR-S1-99 043679-DR-S1-00	84.186
Total Drug-Free Schools Grant		
State Improvement Grant	043679 ST-S1-99	84.323
Class Reduction Grant	043679-CR-S1-00	84.340
Total U.S. Department of Education		
Totals		

The accompanying notes are an integral part of this schedule.

<u>Receipts</u>	<u>Noncash Receipts</u>	<u>Disbursements</u>	<u>Noncash Disbursements</u>
	\$53,600		\$57,776
<u>\$114,325</u>		<u>\$114,325</u>	
<u>114,325</u>	<u>53,600</u>	<u>114,325</u>	<u>57,776</u>
2,750		2,750	
		19,796	
<u>100,288</u>		<u>100,288</u>	
<u>100,288</u>		<u>120,084</u>	
<u>18,379</u>		<u>18,379</u>	
118,667		138,463	
62,510		64,559	
<u>139,037</u>		<u>104,967</u>	
<u>201,547</u>		<u>169,526</u>	
1,617		1,949	
<u>11,920</u>		<u>11,920</u>	
<u>13,537</u>		<u>13,869</u>	
		2,822	
<u>9,608</u>		<u>7,898</u>	
<u>9,608</u>		<u>10,720</u>	
		29,539	
<u>19,863</u>		<u>19,863</u>	
<u>363,222</u>		<u>381,980</u>	
<u>\$480,297</u>	<u>\$53,600</u>	<u>\$499,055</u>	<u>\$57,776</u>

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with state grants. It is assumed federal monies are expended first. At June 30, 2000, the District had no significant food commodities in inventory.



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

Bryan City School District
Williams County
1350 Fountain Grove Drive
Bryan, Ohio 43506-8733

To the Board of Education:

We have audited the financial statements of the Bryan City School District, Williams County, (the District) as of and for the year ended June 30, 2000, and have issued our report thereon dated November 28, 2000, in which we noted the District reclassified its Nonexpendable Trust Fund to an Expendable Trust Fund due to changes made by the donor. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated November 28, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted 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 November 28, 2000.

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

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

Jim Petro
Auditor of State

November 28, 2000



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

Bryan City School District
Williams County
1350 Fountain Grove Drive
Bryan, Ohio 43506-8733

To the Board of Education:

Compliance

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

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

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

Internal Control Over Compliance

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

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

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

Jim Petro
Auditor of State

November 28, 2000

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.



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BRYAN CITY SCHOOL DISTRICT

WILLIAMS 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
DECEMBER 14, 2000**