



**CIRCLEVILLE CITY SCHOOL DISTRICT  
PICKAWAY COUNTY**

**SINGLE AUDIT**

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



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

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**STATE OF OHIO**



## TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
<b>FINANCIAL SECTION</b>	
<b>General Purpose Financial Statements:</b>	
Combined Balance Sheet - All Fund Types and Account Groups .....	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Similar Fiduciary Fund Type .....	6
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis) - All Governmental Fund Types and Similar Fiduciary Fund Type .....	7
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types .....	10
Combined Statement of Cash Flows - All Proprietary Fund Types .....	11
Notes to the General Purpose Financial Statements .....	13
Schedule of Federal Awards Receipts and Expenditures .....	43
Notes to the Federal Awards Receipts and Expenditures .....	44
Report on Compliance and on Internal Control Required By <i>Government Auditing Standards</i> .....	45
Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance In Accordance With OMB Circular A-133 .....	47
Schedule of Findings .....	49

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Circleville City Schools  
388 Clark Drive  
Circleville, Ohio 43113

To the Board of Education:

We have audited the accompanying general-purpose financial statements of Circleville City School District, Pickaway 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 Circleville City School District, Pickaway County, Ohio as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

As described in Note 11 to the general-purpose financial statements the District changed its accounting for the deferred compensation plan.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 1999 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

**JIM PETRO**  
Auditor of State

November 23, 1999

**Circleville City School District**



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**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	\$ 753,191	\$ 368,050	\$ 2,008,730	\$ 9,520	\$ 0	\$ 141,159	\$ 111,258	\$ 0	\$ 0	\$ 3,391,908
Restricted Assets	82,071	0	0	0	0	0	0	0	0	82,071
Cash with Fiscal Agent	0	0	0	0	0	39,402	0	0	0	39,402
Taxes Receivables	7,464,518	0	751,701	0	0	0	0	0	0	8,216,219
Interfund Receivables	149,418	0	0	0	0	0	0	0	0	149,418
Due From Other Funds	0	0	126,632	0	0	0	6,806	0	0	133,438
Intergovernmental Receivables	6,683	52,218	0	0	25,962	0	0	0	0	84,863
Accounts Receivable	19,475	52	0	0	0	0	120	0	0	19,647
Inventory	10,796	0	0	0	901	0	0	0	0	11,697
Inventory for Resale	0	0	0	0	8,288	0	0	0	0	8,288
Net Property, Plant, and Equipment	0	0	0	0	107,297	0	0	12,588,614	0	12,695,911
Amount Available in Debt Service Fund	0	0	0	0	0	0	0	0	2,177,442	2,177,442
Amount to be Provided for Retirement of General Long Term Debt	0	0	0	0	0	0	0	0	2,346,214	2,346,214
<b>Total Assets and Other Debits</b>	<b>\$ 8,486,152</b>	<b>\$ 420,320</b>	<b>\$ 2,887,063</b>	<b>\$ 9,520</b>	<b>\$ 142,448</b>	<b>\$ 180,561</b>	<b>\$ 118,184</b>	<b>\$ 12,588,614</b>	<b>\$ 4,523,656</b>	<b>\$ 29,356,518</b>

See Accompanying Notes to the General Purpose Financial Statements.

(Continued)



**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS, CONTINUED**  
**JUNE 30, 1999**

	Governmental Fund Types			Proprietary	Fiduciary	Account Groups		Totals		
	General	Special Revenue	Debt Service	Capital Project	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	(Memorandum) (Only)
Liabilities:										
Interfund Payables	\$ 0	\$ 81,462	\$ 0	\$ 0	\$ 67,956	\$ 0	\$ 0	\$ 0	\$ 0	\$ 149,418
Due to Other Funds	132,829	430	0	0	179	0	0	0	0	133,438
Intergovernmental Payables	214,946	12,302	0	0	28,677	0	42,811	0	74,551	373,287
Claims Payable	0	0	0	0	457	125,114	0	0	0	125,571
Accounts Payable	116,529	11,023	0	2,540	0	0	426	0	0	130,518
Accrued Salaries and Benefits	1,216,387	85,794	0	0	40,235	0	0	0	0	1,342,416
Deferred Revenue	7,086,024	0	709,621	0	4,662	0	0	0	0	7,800,307
Capital Leases Payable	0	0	0	0	0	0	0	0	39,139	39,139
Due to Others	0	0	0	0	0	0	68,648	0	0	68,648
General Obligation Notes Payable	0	0	0	0	0	0	0	0	760,000	760,000
General Obligation Bonds Payable	0	0	0	0	0	0	0	0	2,500,000	2,500,000
School Bus Bonds	0	0	0	0	0	0	0	0	67,000	67,000
Compensated Absence Payable	86,194	1,034	0	0	24,175	0	0	0	1,082,966	1,194,369
<b>Total Liabilities</b>	<b>8,852,909</b>	<b>192,045</b>	<b>709,621</b>	<b>2,540</b>	<b>166,341</b>	<b>125,114</b>	<b>111,885</b>	<b>0</b>	<b>4,523,656</b>	<b>14,684,111</b>
Fund Equity and Other Credits:										
Investment in General Fixed Assets	0	0	0	0	0	0	0	12,588,614	0	12,588,614
Retained Earnings	0	0	0	0	(23,893)	55,447	0	0	0	31,554
Fund Balances:										
Reserved for Supply Inventory	10,796	0	0	0	0	0	0	0	0	10,796
Reserved for Encumbrances	101,997	24,178	0	0	0	0	0	0	0	126,175
Reserved for Debt	0	0	2,135,362	0	0	0	0	0	0	2,135,362
Reserved for Budget Stabilization	82,071	0	0	0	0	0	0	0	0	82,071
Reserved for Future Appropriation	378,494	0	42,080	0	0	0	0	0	0	420,574
Unreserved Fund Balance	(940,115)	204,097	0	6,980	0	0	6,299	0	0	(722,739)
<b>Total Fund Balances</b>	<b>(366,757)</b>	<b>228,275</b>	<b>2,177,442</b>	<b>6,980</b>	<b>0</b>	<b>0</b>	<b>6,299</b>	<b>0</b>	<b>0</b>	<b>2,052,239</b>
<b>Total Fund Balances/Retained Earnings and Other Credits</b>	<b>(366,757)</b>	<b>228,275</b>	<b>2,177,442</b>	<b>6,980</b>	<b>(23,893)</b>	<b>55,447</b>	<b>6,299</b>	<b>12,588,614</b>	<b>0</b>	<b>14,672,407</b>
<b>Total Liabilities, Fund Equity, and Other Credits</b>	<b>\$ 8,486,152</b>	<b>\$ 420,320</b>	<b>\$2,887,063</b>	<b>\$ 9,520</b>	<b>\$ 142,448</b>	<b>\$ 180,561</b>	<b>\$ 118,184</b>	<b>\$ 12,588,614</b>	<b>\$ 4,523,656</b>	<b>\$ 29,356,518</b>

See Accompanying Notes to the General Purpose Financial Statements.

**COMBINED STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUND TYPE**  
**YEAR ENDED JUNE 30, 1999**

	Governmental Fund Types				Fiduciary Fund Types	Totals
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	(Memorandum Only)
<b>REVENUES:</b>						
Revenue from Local Sources						
Taxes	\$ 6,399,804	\$ 0	\$ 641,087	\$ 0	\$ 0	\$ 7,040,891
Tuition	1,630	0	0	0	0	1,630
Earnings on Investments	207,674	650	0	0	136	208,460
Extracurricular Activities	0	139,072	0	0	0	139,072
Classroom Materials & Fees	49,229	0	0	0	0	49,229
Miscellaneous	28,685	2,733	0	0	1,960	33,378
Revenue for/on Behalf of District	7,087	0	0	0	0	7,087
Revenue from State Sources						
Unrestricted Grants-in-Aid	5,875,566	0	66,410	0	0	5,941,976
Restricted Grants-in-Aid	27,304	247,131	0	57,311	0	331,746
Revenue from Federal Sources						
Unrestricted Grants-in-Aid	40,816	0	0	0	0	40,816
Restricted Grants-in-Aid	0	728,555	0	0	0	728,555
<b>Total Revenue</b>	<b>12,637,795</b>	<b>1,118,141</b>	<b>707,497</b>	<b>57,311</b>	<b>2,096</b>	<b>14,522,840</b>
<b>EXPENDITURES:</b>						
Instruction						
Regular Instruction	6,746,098	346,701	0	115,266	0	7,208,065
Special Instruction	1,129,672	312,812	0	0	0	1,442,484
Supporting Services						
Supporting Services-Pupils	670,201	84,860	0	0	392	755,453
Supporting Services-Instructional Staff	551,970	67,154	0	1,897	0	621,021
Supporting Services-Board of Education	23,621	0	0	0	0	23,621
Supporting Services-Administration	1,307,762	84,781	0	0	0	1,392,543
Fiscal Services	306,044	675	10,339	0	0	317,058
Support Services-Business	5,751	0	0	0	0	5,751
Operation & Maintenance-Plant	979,475	0	0	0	0	979,475
Supporting Services-Pupil Transportation	366,977	54	0	0	0	367,031
Supporting Services-Central	0	17,364	0	0	0	17,364
Operation of Non-Instructional Services						
Food Service Operation	0	1,844	0	0	2,626	4,470
Community Services	423	3,939	0	0	0	4,362
Extracurricular Activities						
Academic & Subject Oriented	20,294	2,277	0	0	0	22,571
Occupation Oriented Activities	2,748	0	0	0	0	2,748
Sports Oriented	144,686	81,998	0	0	0	226,684
Co-Curricular Activities	27,277	0	0	0	0	27,277
Debt Service						
Repayment of Debt	0	0	666,193	0	0	666,193
<b>Total Expenditures</b>	<b>12,282,999</b>	<b>1,004,459</b>	<b>676,532</b>	<b>117,163</b>	<b>3,018</b>	<b>14,084,171</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	354,796	113,682	30,965	(59,852)	(922)	438,669
Other Financing Sources and Uses:						
Other Financing Sources						
Transfers-In	17,740	9,236	193,704	0	0	220,680
Refund of Prior Years Receipts	0	(557)	0	0	0	(557)
Other Financing Uses						
Transfer-Out	(211,704)	(26,976)	0	0	0	(238,680)
Net Other Financing Sources and Uses	(193,964)	(18,297)	193,704	0	0	(18,557)
Excess (Deficiency) of Revenue Receipts and Other Sources Over (Under) Expenditure Disbursement and Other Uses	160,832	95,385	224,669	(59,852)	(922)	420,112
Decrease Inventory	852	0	0	0	0	852
Beginning Fund Balance	(528,441)	132,890	1,952,773	66,832	7,221	1,631,275
Ending Fund Balance	<u>\$ (366,757)</u>	<u>\$ 228,275</u>	<u>\$ 2,177,442</u>	<u>\$ 6,980</u>	<u>\$ 6,299</u>	<u>\$ 2,052,239</u>

See Accompanying Notes to the General Purpose Financial Statements.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUND TYPE**  
**YEAR ENDED JUNE 30, 1999**

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance	Revised Budget	Actual	Variance
			Favorable (Unfavorable)			Favorable (Unfavorable)
Revenues:						
Taxes	\$ 6,718,362	\$ 6,718,362	\$ 0	\$ 0	\$ 0	\$ 0
Tuition	1,630	1,630	0	0	0	0
Transportation Fees	0	0	0	0	0	0
Earnings on Investment	220,273	220,273	0	654	654	0
Extracurricular Activities	0	0	0	139,134	139,134	0
Classroom Materials & Fees	49,229	49,229	0	0	0	0
Miscellaneous	28,695	28,695	0	2,733	2,733	0
State Unrestricted Grants-in-Aid	5,875,565	5,875,565	0	0	0	0
State Restricted Grants-in-Aid	27,854	27,854	0	252,025	249,413	(2,612)
Revenue for/on Behalf of District	7,087	7,087	0	0	0	0
Federal Unrestricted Grants-in-Aid	38,359	38,359	0	0	0	0
Federal Restricted Grants-in-Aid	0	0	0	734,719	727,752	(6,967)
<b>Total Revenue</b>	<b>12,967,054</b>	<b>12,967,054</b>	<b>0</b>	<b>1,129,265</b>	<b>1,119,686</b>	<b>(9,579)</b>
Expenditures:						
Regular Instruction	6,843,712	6,783,839	59,873	403,462	323,142	80,320
Special Instruction	1,122,605	1,116,888	5,717	511,939	371,432	140,507
Vocational Instruction	439	0	439	0	0	0
Support Services-Pupils	671,586	664,951	6,635	107,651	75,279	32,372
Support Services-Instructional Staff	583,770	564,321	19,449	84,504	70,069	14,435
Support Services-Board of Education	25,725	23,621	2,104	0	0	0
Support Services-Administration	1,319,782	1,293,093	26,689	117,155	91,299	25,856
Fiscal Services	318,417	307,898	10,519	1,390	675	715
Support Services-Business	7,148	5,851	1,297	0	0	0
Operation & Maintenance-Plant	1,095,819	1,077,635	18,184	200	0	200
Support Services-Transportation	435,328	396,878	38,450	1,800	54	1,746
Support Services-Central	0	0	0	22,925	17,364	5,561
Food Services Operations	0	0	0	4,020	1,844	2,176
Community Services	431	423	8	4,954	4,570	384
Academic & Subject Oriented	20,673	20,294	379	8,024	2,277	5,747
Occupation Oriented Activities	5,179	2,748	2,431	0	0	0
Sports Oriented	144,703	144,686	17	104,445	104,039	406
Co-Curricular Activities	27,318	27,277	41	0	0	0
Other Facilities, Acq. & Construction	0	0	0	0	0	0
Repayment of Debt	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>12,622,635</b>	<b>12,430,403</b>	<b>192,232</b>	<b>1,372,469</b>	<b>1,062,044</b>	<b>310,425</b>
Excess of Revenue Over (Under) Expenditures	344,419	536,651	192,232	(243,204)	57,642	300,846
Other Financing Sources (Uses):						
Transfer-In	17,740	17,740	0	9,236	9,236	0
Advances-In	233,744	233,744	0	4,179	81,463	77,284
Refund of Prior Years Expense	4,744	4,744	0	0	0	0
Transfer-Out	(350,510)	(350,004)	506	(26,976)	(26,976)	0
Advances-Out	(149,418)	(149,418)	0	(136,551)	(136,551)	0
Refund of Prior Years Receipt	0	0	0	(557)	(557)	0
<b>Total Other Sources (Uses)</b>	<b>(243,700)</b>	<b>(243,194)</b>	<b>506</b>	<b>(150,669)</b>	<b>(73,385)</b>	<b>77,284</b>
Excess of Revenues & Other Financing Sources Over (Under) Expenditures and Other Financing Uses	100,719	293,457	192,738	(393,873)	(15,743)	378,130
Beginning Fund (Deficit) Balance	159,589	159,589	--	327,018	327,018	--
Prior Year Carry Over Encumbrances	142,425	142,425	--	25,473	25,473	--
<b>Ending Fund (Deficit) Balance</b>	<b>\$ 402,733</b>	<b>\$ 595,471</b>	<b>192,738</b>	<b>(41,382)</b>	<b>336,748</b>	<b>\$ 378,130</b>

See Accompanying Notes to the General Purpose Financial Statements.

(Continued)

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUND TYPE - CONTINUED**  
**YEAR ENDED JUNE 30, 1999**

	Debt Service Fund			Capital Project Funds		
	Revised	Actual	Variance	Revised	Actual	Variance
	Budget		Favorable	Budget		Favorable
			(Unfavorable)			(Unfavorable)
Revenues:						
Taxes	\$ 691,115	\$ 691,115	\$ 0	\$ 0	\$ 0	\$ 0
Tuition	0	0	0	0	0	0
Transportation Fees	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 & Fees	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0
State Unrestricted Grants-in-Aid	66,410	66,410	0	0	0	0
State Restricted Grants-in-Aid	0	0	0	57,311	57,311	0
Revenue for/on Behalf of District	0	0	0	0	0	0
Federal Unrestricted Grants-in-Aid	0	0	0	0	0	0
Federal Restricted Grants-in-Aid	0	0	0	0	0	0
<b>Total Revenue</b>	<b>757,525</b>	<b>757,525</b>	<b>0</b>	<b>57,311</b>	<b>57,311</b>	<b>0</b>
Expenditures:						
Regular Instruction	0	0	0	272,296	265,316	6,980
Special Instruction	0	0	0	0	0	0
Vocational Instruction	0	0	0	0	0	0
Support Services-Pupils	0	0	0	0	0	0
Support Services-Instructional Staff	0	0	0	1,897	1,897	0
Support Services-Board of Education	0	0	0	0	0	0
Support Services-Administration	0	0	0	0	0	0
Fiscal Services	10,923	10,339	584	0	0	0
Support Services-Business	0	0	0	0	0	0
Operation & Maintenance-Plant	0	0	0	0	0	0
Support Services-Transportation	0	0	0	0	0	0
Support Services-Central	0	0	0	0	0	0
Food Services Operations	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
Other Facilities, Acq. & Construction	0	0	0	0	0	0
Repayment of Debt	708,225	666,193	42,032	0	0	0
<b>Total Expenditures</b>	<b>719,148</b>	<b>676,532</b>	<b>42,616</b>	<b>274,193</b>	<b>267,213</b>	<b>6,980</b>
Excess of Revenue Over (Under) Expenditures	38,377	80,993	42,616	(216,882)	(209,902)	6,980
Other Financing Sources (Uses):						
Transfer-In	332,004	332,004	0	0	0	0
Advances-In	0	0	0	0	0	0
Refund of Prior Years Expense	0	0	0	0	0	0
Transfer-Out	0	0	0	0	0	0
Advances-Out	0	0	0	0	0	0
Refund of Prior Years Receipt	0	0	0	0	0	0
<b>Total Other Sources (Uses)</b>	<b>332,004</b>	<b>332,004</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						
	370,381	412,997	42,616	(216,882)	(209,902)	6,980
Beginning Fund (Deficit) Balance	1,595,732	1,595,732	--	42,950	42,950	--
Prior Year Carry Over Encumbrances	0	0	--	173,932	173,932	--
<b>Ending Fund (Deficit) Balance</b>	<b>\$ 1,966,113</b>	<b>\$ 2,008,729</b>	<b>\$ 42,616</b>	<b>\$ 0</b>	<b>\$ 6,980</b>	<b>\$ 6,980</b>

See Accompanying Notes to the General Purpose Financial Statements.

(Continued)

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUND TYPE - CONTINUED**  
**YEAR ENDED JUNE 30, 1999**

	Expendable Trust Fund			Totals (Memorandum Only)		
	Revised Budget	Actual	Variance	Revised Budget	Actual	Variance
			Favorable (Unfavorable)			Favorable (Unfavorable)
Revenues:						
Taxes	\$ 0	\$ 0	\$ 0	\$ 7,409,477	\$ 7,409,477	\$ 0
Tuition	0	0	0	1,630	1,630	0
Transportation Fees	0	0	0	0	0	0
Earnings on Investment	137	137	0	221,064	221,064	0
Extracurricular Activities	0	0	0	139,134	139,134	0
Classroom Materials & Fees	0	0	0	49,229	49,229	0
Miscellaneous	1,960	1,960	0	33,388	33,388	0
State Unrestricted Grants-in-Aid	0	0	0	5,941,975	5,941,975	0
State Restricted Grants-in-Aid	0	0	0	337,190	334,578	(2,612)
Revenue for/on Behalf of District	0	0	0	7,087	7,087	0
Federal Unrestricted Grants-in-Aid	0	0	0	38,359	38,359	0
Federal Restricted Grants-in-Aid	0	0	0	734,719	727,752	(6,967)
<b>Total Revenue</b>	<b>2,097</b>	<b>2,097</b>	<b>0</b>	<b>14,913,252</b>	<b>14,903,673</b>	<b>(9,579)</b>
Expenditures:						
Regular Instruction	0	0	0	7,519,470	7,372,297	147,173
Special Instruction	0	0	0	1,634,544	1,488,320	146,224
Vocational Instruction	0	0	0	439	0	439
Support Services-Pupils	1,431	392	1,039	780,668	740,622	40,046
Support Services-Instructional Staff	0	0	0	670,171	636,287	33,884
Support Services-Board of Education	0	0	0	25,725	23,621	2,104
Support Services-Administration	0	0	0	1,436,937	1,384,392	52,545
Fiscal Services	0	0	0	330,730	318,912	11,818
Support Services-Business	0	0	0	7,148	5,851	1,297
Operation & Maintenance-Plant	0	0	0	1,096,019	1,077,635	18,384
Support Services-Transportation	0	0	0	437,128	396,932	40,196
Support Services-Central	0	0	0	22,925	17,364	5,561
Food Services Operation	4,799	2,626	2,173	8,819	4,470	4,349
Community Services	0	0	0	5,385	4,993	392
Academic & Subject Oriented	0	0	0	28,697	22,571	6,126
Occupation Oriented Activities	0	0	0	5,179	2,748	2,431
Sports Oriented	0	0	0	249,148	248,725	423
Co-Curricular Activities	0	0	0	27,318	27,277	41
Other Facilities, Acq. & Construction	0	0	0	0	0	0
Repayment of Debt	0	0	0	708,225	666,193	42,032
<b>Total Expenditures</b>	<b>6,230</b>	<b>3,018</b>	<b>3,212</b>	<b>14,994,675</b>	<b>14,439,210</b>	<b>555,465</b>
Excess of Revenue Over (Under) Expenditures	(4,133)	(921)	3,212	(81,423)	464,463	545,886
Other Financing Sources (Uses):						
Transfer-In	0	0	0	358,980	358,980	0
Advances-In	0	0	0	237,923	315,207	77,284
Refund of Prior Years Expense	0	0	0	4,744	4,744	0
Transfer-Out	0	0	0	(377,486)	(376,980)	506
Advances-Out	0	0	0	(285,969)	(285,969)	0
Refund of Prior Years Receipt	0	0	0	(557)	(557)	0
<b>Total Other Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(62,365)</b>	<b>15,425</b>	<b>77,790</b>
Excess of Revenues & Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,133)	(921)	3,212	(143,788)	479,888	623,676
Beginning Fund (Deficit) Balance	7,116	7,116	--	2,132,405	2,132,405	--
Prior Year Carry Over Encumbrances	94	94	--	341,924	341,924	--
<b>Ending Fund (Deficit) Balance</b>	<b>\$ 3,077</b>	<b>\$ 6,289</b>	<b>\$ 3,212</b>	<b>\$ 2,330,541</b>	<b>\$ 2,954,217</b>	<b>\$ 623,676</b>

See Accompanying Notes to the General Purpose Financial Statements.

**COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS  
ALL PROPRIETARY FUND TYPES  
YEAR ENDED JUNE 30, 1999**

	<b>Enterprise Funds</b>	<b>Internal Service Funds</b>	<b>Totals (Memorandum) (Only)</b>
Operating Revenues:			
Food Service	\$ 393,368	\$ 0	\$ 393,368
Insurance Revenue	<u>0</u>	<u>681,364</u>	<u>681,364</u>
Total Operating Revenue	<u>393,368</u>	<u>681,364</u>	<u>1,074,732</u>
Operating Expenses:			
Personal Services - Salary	231,070	0	231,070
Employee Benefits	101,952	0	101,952
Purchased Services	7,138	687,893	695,031
Supplies and Materials	313,453	0	313,453
Depreciation	<u>2,100</u>	<u>0</u>	<u>2,100</u>
Total Operating Expense	<u>655,713</u>	<u>687,893</u>	<u>1,343,606</u>
Operating Loss	(262,345)	(6,529)	(268,874)
Non-Operating Revenues:			
State Unrestricted Grants-In-Aid	12,900	0	12,900
Federal Unrestricted Grants-In-Aid	180,925	0	180,925
Federal Commodities	<u>35,884</u>	<u>0</u>	<u>35,884</u>
Total Non-Operating Revenue	<u>229,709</u>	<u>0</u>	<u>229,709</u>
Non-Operating Expenses:			
Loss on Disposal of Assets	<u>3,007</u>	<u>0</u>	<u>3,007</u>
Net Loss Before Operating Transfers	(35,643)	(6,529)	(42,172)
			0
Operating Transfers:			
Transfers In	<u>18,000</u>	<u>0</u>	<u>18,000</u>
Net Loss	(17,643)	(6,529)	(24,172)
Beginning Retained Earnings	<u>(6,250)</u>	<u>61,976</u>	<u>55,726</u>
Retained Earnings at End of Year	<u>\$ (23,893)</u>	<u>\$ 55,447</u>	<u>\$ 31,554</u>

See Accompanying Notes to the General Purpose Financial Statements.

**COMBINED STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
YEAR ENDED JUNE 30, 1999**

	<b>Enterprise Funds</b>	<b>Internal Service Funds</b>	<b>Totals (Memorandum) (Only)</b>
<b>Cash Flows from Operating Activities</b>			
Operating Loss	\$ (262,345)	\$ (6,529)	\$ (268,874)
<b>Adjustment to Reconcile Operating Income To Net Cash used in Operating Activities:</b>			
Depreciation	2,100	0	2,100
<b>Net (Increases) Decreases in Assets:</b>			
Intergovernmental Receivables	(529)	0	(529)
Accounts Receivable	0	0	0
Inventory	639	0	639
<b>Net Increases (Decreases) in Liabilities:</b>			
Due to Other Funds	179	0	179
Intergovernmental Payable	15,078	0	15,078
Claims Payable	0	42,471	42,471
Accounts Payable	85	0	85
Accrued Salaries and Benefits	(56)	0	(56)
Deferred Revenue	(316)	0	(316)
Interfund Payable	4,347	0	4,347
Compensated Absences	1,144	0	1,144
<b>Net Adjustments</b>	<b>22,671</b>	<b>42,471</b>	<b>65,142</b>
<b>Net Cash Used in Operating Activities</b>	<b>(239,674)</b>	<b>35,942</b>	<b>(203,732)</b>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Grants from State Sources	12,900	0	12,900
Grants from Federal Sources	180,925	0	180,925
Federal Commodities	35,884	0	35,884
Transfers In	18,000	0	18,000
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>247,709</b>	<b>0</b>	<b>247,709</b>
<b>Cash Flows from Capital Financing Activities:</b>			
Acquisition of Capital Assets	(8,035)	0	(8,035)
<b>Net Cash Used for Capital Financing Activities</b>	<b>(8,035)</b>	<b>0</b>	<b>(8,035)</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>0</b>	<b>35,942</b>	<b>35,942</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>0</b>	<b>144,619</b>	<b>144,619</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 0</b>	<b>\$ 180,561</b>	<b>\$ 180,561</b>

See Accompanying Notes to General Purpose Financial Statements.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Circleville City 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 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 city District as defined by Section 3311.02 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.

Average daily membership (ADM) as of October 1, 1998, was 2,435. The District employed 15 administrative and supervisory personnel, 160 certified employees and 79 non-certificated employees. The District co-operates with the Pickaway County Educational Service Center, a separate entity, for curricular services.

The District provides regular, 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 accompanying general purpose financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement 14, The Financial Reporting Entity, in that the financial statements include all organizations, activities and functions for which the district is financially accountable. This report includes all activities considered by management to be part of the school by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

Section 2100 indicates that the reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity.

It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

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

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

**A. Reporting Entity (Continued)**

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.

A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

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 on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, 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.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

**Governmental Fund Types:**

Governmental funds are those through which most governmental functions typically are financed. Governmental Fund Types are accounted for on a flow of current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their operating statements present sources (revenues and other financing sources) and uses (expenditures and other financing uses) of "available spendable resources" during the period.

**General Fund**

This fund 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 bylaws of the District and the laws of the State of Ohio.

**Special Revenue Funds**

These funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

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

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

**B. Fund Accounting (Continued)**

**Governmental Fund Types: (Continued)**

**Debt Service Fund**

This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**Capital Projects Funds**

These funds are used to account for financial resources to be used for the acquisition or construction of major capital assets or facilities (other than those financed by proprietary and trust 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 proprietary fund types:

**Enterprise Funds**

These funds are used to account for the 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 revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**Internal Service Funds**

These 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 governments, or other funds. The following are the fiduciary fund types:

**Expendable Trust Funds**

These funds account for resources, including both principal and earnings, which must be expended according to the provision of a trust agreement. Expendable trust funds are accounted for in essentially the same manner as governmental funds.

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

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

**B. Fund Accounting (Continued)**

**Fiduciary Fund Types: (Continued)**

**Agency Funds**

These funds are purely custodial and thus do not involve measurement of results of operations.

**Account Groups:**

Account Groups are financial reporting devices to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not affect expendable available financial resources. The following are the account groups:

**General Fixed Assets Account Group**

This account group is used to account for all of the District's fixed assets other than those accounted for in the Proprietary funds.

**General Long-Term Debt Account Group**

This account group is used to account for all of the District's long-term obligations other than those accounted for in the Proprietary Funds.

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

The modified accrual basis of accounting is followed for Governmental and Expendable Trust 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 the 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.
  - a. Revenue accrued at the end of the year may include book fines, fees, interest and tuition.
  - b. Property taxes measurable as of June 30, 1999 and delinquent property taxes, whose availability is indeterminate, and are intended to finance fiscal year 1999 operations, 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.

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

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

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

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**

All governmental and proprietary fund types are subject to annual expenditures budgets. The Board follows the procedures outlined below in establishing the expenditure budget data reported in the general purpose financial statements:

- 1) A Tax Budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by January 20 of each year, for the fiscal year commencing the following July 1st. The Board of Education normally adopts the Tax Budget at its regular board meeting in January.
- 2) The County Budget Commission certifies its actions to the District by March 1st. As part of this certification, the District receives the official certificate of estimated resources which states the projected receipts of each fund. During the month of July, this certificate is amended to include any unencumbered balances from the preceding fiscal year.
- 3) An annual appropriation measure must be passed by the Board of Education by October 1st of each year for the period July 1st to June 30th. Unencumbered appropriations lapse at year-end and the encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated. The Board of Education usually adopts temporary appropriations at its regular board meeting in June. The Annual Appropriation Resolution is adopted at a regular board meeting later in the year. The appropriation measure may be amended or supplemented during the year as new information becomes available. Individual building and/or departments may transfer funds within their budgets upon review and approval of the Treasurer if the line item transfer does not exceed \$10,000. Appropriations may not exceed estimated resources and expenditures may not exceed appropriations in any fund at the object level.
- 4) The District prepares its budget on a basis of accounting that differs from generally accepted accounting principles (GAAP). The actual results of operations are presented in the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual--All Governmental Fund Types and Similar Fiduciary Fund Type" in accordance with the budget basis of accounting.

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

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

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

The major differences between the budgetary basis of accounting and GAAP basis are that:

- a. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- b. Expenditures are recorded when encumbered (budget basis) as opposed to when the liability is incurred (GAAP basis);
- c. Encumbrances are recorded as the equivalent of expenditures (budget basis) as opposed to a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund types (GAAP basis); and
- d. 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).

**Encumbrances**

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

**E. Cash and Investments**

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 certificates of deposit, STAR Ohio and repurchase agreements.

Investments are reported at cost except for investments in STAR Ohio and investments of the deferred compensation agency fund which are reported at fair value. Fair value is based on quoted market prices.

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, Special Revenue Funds and Expendable Trust Funds as authorized by board resolution. Interest income earned in fiscal year 1999 totaled \$208,460.

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

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

**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.

**G. Inventories**

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. Inventories are determined by physical count. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of the governmental fund type inventories are recorded as expenditures when purchased (purchase method) rather than when consumed. 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 general supplies, and are expended when used.

**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**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The District has a capitalization threshold of \$500 for general fixed assets and no threshold for proprietary fixed assets

The costs of normal maintenance and repairs, that do not add to the value of the asset or materially extend asset lives, are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

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

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

**I. Fixed Assets (Continued)**

Assets in the general fixed assets account group are not depreciated. Depreciation of equipment in the proprietary fund types is computed using the straight-line method over an estimated useful life of the assets.

The average useful life of equipment ranges from eight to twenty years.

**J. Intergovernmental Revenues**

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

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

**Entitlements:**

**General Fund**

State Foundation Program  
School Bus Funding

**Capital Projects Funds**

School Net  
School Net Plus

**Special Revenue Funds**

Educational Management Information Systems  
Textbook Funding Grant  
Data Communications Grant  
E Rate Funding

**Non-Reimbursable Grants:**

**Special Revenue Funds**

Auxiliary Services Grant  
DPIA  
School Net Professional Training Grant  
Continuous Improvement Life Grant  
Technical Prep Grant  
Ohio School to Work Grant  
Title I  
Title VI  
Drug Free Schools  
Title VI B  
Title II  
Goals 2000  
Pre-School Handicap Grant  
Ec-Speed Mini-Grant  
Professional Development Block Grant  
School Age Childcare Grant



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

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

**J. Intergovernmental Revenues (Continued)**

**Reimbursable Grants:**

**General Fund**

Driver Education Reimbursement

Tutor Reimbursement

CAFS

**Proprietary Funds**

National School Lunch Program

Government Donated Commodities

Grants and entitlements amounted to approximately 48.5% of the District's operating revenue during the 1999 fiscal year.

**K. Short-Term Interfund Receivables/Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds". Short-term interfund loans are classified as "interfund receivables/payables". At June 30, 1999, the District had \$133,438 in "Due from/to Other Funds" and \$149,418 in "Interfund Receivables /Payables".

**L. Advances to Other Funds**

Non-current portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicated that they do not constitute expendable available financial resources and therefore are not available for appropriation. At June 30, 1999 the District had no long-term interfund loans.

**M. Compensated Absences**

The District accounts for compensated absences in accordance with GASB Statement No. 16. Sick leave and other compensated absences with similar characteristics are accrued as a liability based on the sick leave accumulated at the balance sheet date 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 to receive such payments. To calculate the liability, these accumulations are reduced to the maximum amount allowed as a termination payment. Accruals for those employees who are expected to become eligible in the future are based on assumptions concerning the probability that individual employees or class or group of employees will become eligible to receive termination payments. All employees with ten or more years of service were included in the calculation of the long-term compensated absences accrual amount.

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met: 1.) The employees' rights to receive compensation are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee. 2.) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

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

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

**M. Compensated Absences (Continued)**

For governmental funds, the District records a liability for accumulated unused vacation and sick leave when earned. The current portion of these unpaid compensated absences is the amount expected to be paid using expendable available 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 debt account group. In proprietary funds, compensated absences are expensed when earned with the amount reported as a fund liability.

**N. Contributed Capital**

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. The 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. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Because the District did not prepare financial statements in accordance with generally accepted accounting principles prior to fiscal year 1997, the exact amount of contributed capital cannot be determined. Consequently, only those amounts that have been specifically identified have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to proprietary funds have been classified as retained earnings. At June 30, 1999, the District had no contributed capital.

**O. Long-Term Obligations**

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

**P. Bond Premiums and Discounts**

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as 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.

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

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

**Q. Interfund Transactions**

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**R. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. During fiscal year 1998, the District received a \$82,071 refund from the Bureau of Workers' Compensation which State statute required to be included in this reserve. No additional funds were required during fiscal year 1999 to be included in this reserve.

**S. 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, inventory, budget stabilization 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.

**T. Financial Reporting for Proprietary and Similar Fund Types**

The District's financial statements have been prepared in accordance with GASB No.20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting". This Statement is effective for financial statements beginning after December 15, 1992. The District accounts for its proprietary activities in accordance with all applicable GASB pronouncements, as well as pronouncements of the Financial Accounting Standards Board (FASB) and its predecessors issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB.

**U. Statement of Cash Flows**

In September 1989, the Governmental Accounting Standards Board issued statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting". For purposes of GASB 9, "cash and cash equivalents" refers to cash only. The District has presented a statement of cash flows for its enterprise funds.



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

**3. FUND DEFICITS (Continued)**

<u>Special Revenue:</u>	Auxiliary Services Fund (\$8)	DPIA Fund (\$33,847)
<u>Proprietary Fund:</u>	Food Services (\$23,893)	

The deficits are due to the adjustments for accrued wages, benefits, accounts payable and interfund payables.

**4. 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 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;
4. Bond and other obligations of the State of Ohio;

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

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

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio); 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 \$1,059,010 and the bank balance was \$1,110,504. Of the bank balance:

1. \$100,000 was covered by federal depository insurance; and
2. \$1,010,504 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. STAROhio are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

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

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

	Category			Reported Amount	Fair Value
	1	2	3		
Repurchase Agreement	\$ 0	-	\$ 301,019	\$ 301,019	\$ 301,019
STAR Ohio	N/A			2,107,050	2,107,050
Total Investments				<u>\$ 2,408,069</u>	<u>\$ 2,408,069</u>

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	Investments
GASB Statement No.9	\$ 3,513,381	
Investments:		
Repurchase Agreement	(301,019)	301,019
STAR Ohio	(2,107,050)	2,107,050
Total	1,105,312	2,408,069
Cash with Fiscal Agent	(39,402)	
Cash on Hand	(6,900)	
GASB Statement No.3	<u>\$ 1,059,010</u>	<u>\$ 2,408,069</u>

**5. PROPERTY TAX**

Property taxes are levied, assessed and collected on a calendar year basis. They include amounts levied against all real, public utility, and tangible personal property located in the District. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the Pickaway County Auditor at 35% of appraised market value. All property is required to be revalued every six years. The last revaluation for the District was completed in 1993, an update was done in 1997. The next revaluation is scheduled for later in 1999. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31, (although the Pickaway County Auditor usually files for an extension in sending out tax bills so payment is then due by February 14th). If paid semi-annually, the first payment is usually due February 14, with the remainder payable July 19.

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

**5. PROPERTY TAX (Continued)**

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before December 31 of that calendar year. Tangible personal property used in business (except for public utilities) is currently assessed for taxation purposes at 25% of its true value. Amounts paid by multi-county taxpayers may pay annually or semi-annually, the first payment is due April 30, with the remainder payable by September 28.

Public utility real and public utility personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Real property is assessed at 35% of market value and personal property is assessed at 100% of market value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The Pickaway County Treasurer collects property tax on behalf of the District. The Pickaway County Auditor remits to the District the taxes collected. Tax settlements are made each March and August for real property taxes and each June and October for personal property

Taxes available for advance and recognized as revenue, but not received by the District prior to June 30, are reflected as a reservation of fund balance; \$378,494 at June 30, 1999. The District is prohibited by law from appropriating the property taxes recognized as revenue in accordance with Ohio Revised Code Section 5705.35 since an advance of tax revenue was not received by the end of the fiscal year.

The full tax rate at the fiscal year ended June 30, 1999 for operations was \$38.50 per \$1,000 of assessed valuation and 3.00 for bond indebtedness.

The assessed values of real and tangible personal property on which the fiscal year 1999 taxes were collected were as follows:

Real Property-Commercial/Industrial	\$ 49,234,340
Real Property-Residential/Agricultural	118,141,950
Real Property-Public Utilities	89,580
Real Property-Minerals	106,310
Personal Property-General	43,894,496
Personal Property-Public Utilities	<u>17,916,590</u>
Total Assessed Value	<u><u>\$ 229,383,266</u></u>



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

**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.

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:	
CAFS	\$ 6,683
Special Revenue Fund:	
E-Rate Funding	12,218
Title I	40,000
Enterprise Fund:	
Food Service-State Subsidy	2,367
Food Service-Federal Subsidy	<u>23,595</u>
Grand Total	<u><u>\$ 84,863</u></u>

**7. FIXED ASSETS**

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

Furniture and Equipment	\$ 231,340
Less Accumulated Depreciation	<u>(124,043)</u>
Net Fixed Assets	<u><u>\$ 107,297</u></u>

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

**7. FIXED ASSETS (Continued)**

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	\$ 224,818	0	0	\$ 224,818
Buildings	8,833,835	0	0	8,833,835
Improvements other than Bldg.	309,522	0	0	309,522
Furniture and Equipment	2,688,924	228,510	211,310	2,706,124
Vehicles	534,770	2,000	22,455	514,315
<b>Total General Fixed Assets</b>	<b>\$ 12,591,869</b>	<b>230,510</b>	<b>233,765</b>	<b>\$ 12,588,614</b>

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 \$1,099,932, \$1,046,064 and \$1,052,988, respectively; 83.0 percent has been contributed for fiscal year 1999 and 100 percent for fiscal years 1998 and 1997. \$186,988 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds.

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
**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 \$225,198, \$211,812, and \$208,620, respectively; 44.35 percent has been contributed for fiscal year 1999 and 100 percent for fiscal years 1998 and 1997. \$136,331 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, no members of the Board of Education have 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 \$274,983 during fiscal 1999.

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

**9. POSTEMPLOYMENT BENEFITS (Continued)**

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

For SERS, coverage is made available to service retirees with ten or more 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 \$99,896 during the 1999 fiscal year.

**10. COMPENSATED ABSENCES**

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements 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. Vacation time which is unused as of the employee's anniversary date is can be carried over to a subsequent year with a maximum of three years accrual (60 days). 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
1-6	10
7-10	15
11-15	18
16-beyond	20

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

**10. COMPENSATED ABSENCES (Continued)**

Each employee earns sick leave at the rate of one and one-half days per month. Sick leave shall accumulate during active employment on a continuous year-to-year basis. Maximum sick leave accumulation for all employees is 252 days.

For all employees, 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 if the employee has been employed by the District for a minimum of ten consecutive years at the time of retirement. Any employee receiving retirement severance pay shall be entitled to a dollar amount equivalent to one-fourth of 120 days of all accumulated sick leave credited to that employee and one-eighth of all days over 120 up to a maximum of 252 days for a maximum severance of 46.5.

**11. CHANGE IN ACCOUNTING PRINCIPLES**

The District has implemented GASB Statement No 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans" for its deferred compensation plan through 1998. On September 1, 1998, the Ohio Public Employees Deferred Compensation Board created a trust for the assets of the plan for which the District has no fiduciary responsibility. Therefore, the balance at June 30, 1998 in the Ohio Public Employees Deferred Compensation Board deferred compensation plan of \$369,028 was shown as a reduction in the deferred compensation agency fund.

**12. RISK MANAGEMENT**

**A. Property and Liability**

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. In addition, The District maintains a \$4,000,000 umbrella liability policy.

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 \$42,000,000

**B. Workers Compensation**

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 (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.

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

**12. RISK MANAGEMENT (Continued)**

**B. Workers Compensation (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 & Co. Provides administrative, cost control and actuarial services to the GRP.

**C. Employee Medical 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 October 19, 1984 for the purpose of accumulating balances sufficient to self-insure dental treatments. The District pays the entire amount of premium contributions.

On July 1, 1998, the District joined the Ross County School Employees Insurance Consortium (RCSEIC) to self insure its medical claims. RCSEIC currently includes 18 member school districts. 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. Settlements have never exceeded insurance coverage.

Professional Risk Management, Inc., a third party administrator, services all health / medical claims and dental claims submitted by employees. An excess coverage insurance policy covers individual claims in excess of \$65,000 per employee consortium wide.

The District utilizes a self insurance fund for the purpose of tracking the fund's balance as held by the fiscal agent. Amounts are paid into this fund from the General Fund, Lunchroom Fund, and certain Special Revenue Funds (Grants). 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. The basis for estimating the liability for unpaid claims is based on documentation obtained by the insurance carrier. A summary of changes in self-insurance claims for the year ended June 30, 1999 follows:

	June 30, 1999	June 30, 1998
Claim Liabilities at beginning of year	\$ 62,185	\$ 51,212
Incurred Claims	620,176	676,647
Claims Paid	(557,247)	(665,674)
Claim Liabilities at end of year	\$ 125,114	\$ 62,185

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

**12. RISK MANAGEMENT (Continued)**

**C. Employee Medical Insurance (Continued)**

Monies are provided from each fund based on a per-employee charge and are recorded as charges for services in the Self-Insurance Fund and as an expenditure in the disbursing fund.

**13. NOTES AND 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	\$ 82,740	74,551	82,740	\$ 74,551
General Obligation Bonds Payable	2,775,000	0	275,000	2,500,000
General Obligation Notes Payable	890,000	0	130,000	760,000
Claims Payable	235,778	0	235,778	0
Capital Leases Payable	0	39,139	0	39,139
School Bus Bonds Payable	78,000	0	11,000	67,000
Compensated Absences Payable	993,295	1,082,966	993,295	1,082,966
	<u>\$ 5,054,813</u>	<u>1,196,656</u>	<u>1,727,813</u>	<u>\$ 4,523,656</u>

**General Obligation Bonds:**

The \$2,500,000 of outstanding general obligation bond relate to a project in 1987, for which bonds were issued for the purpose of constructing and equipping a new central office and addition to the high school and improving the site thereof at an interest rate of 7.5%. These notes mature December 2007, 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.

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

	Principal	Interest	Payment
FY2000	\$ 275,000	176,594	\$ 451,594
FY2001	275,000	156,031	431,031
FY2002	275,000	135,469	410,469
FY2003	275,000	114,906	389,906
FY2004	280,000	94,163	374,163
FY2005 and thereafter	1,120,000	167,400	1,287,400
	<u>\$ 2,500,000</u>	<u>844,563</u>	<u>\$ 3,344,563</u>

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

**13. NOTES AND LONG-TERM DEBT (Continued)**

**General Obligation Notes:**

Energy Conservation Notes were issued by the district in two issues. The June, 1990 issue carries an interest rate of 7.7%, and the July, 1996 issue carries an interest rate of 5.4%. The annual maturities of the general obligation notes (Energy Conservation Notes) as of June 30, 1999, and related interest payments are as follows:

	Principal	Interest	Payment
FY2000	\$ 140,000	38,880	\$ 178,880
FY2001	145,000	30,888	175,888
FY2002	85,000	24,750	109,750
FY2003	90,000	20,500	110,500
FY2004	95,000	15,910	110,910
FY2005 and thereafter	205,000	16,640	221,640
	<u>\$ 760,000</u>	<u>147,568</u>	<u>\$ 907,568</u>

**School Bus Bonds:**

The District has issued bonds in the amount of \$90,000 for the purchase of school buses. This financing is authorized by the Ohio Revised Code Section 133.15A and Ohio Revised Code Section 3327.08.

The bonds mature in 2004 and carry an interest rate of 5.3%.

	Principal	Interest	Payment
FY2000	\$ 12,000	3,560	\$ 15,560
FY2001	13,000	2,929	15,929
FY2002	13,000	2,247	15,247
FY2003	14,000	1,552	15,552
FY2004 and thereafter	15,000	802	15,802
	<u>\$ 67,000</u>	<u>11,090</u>	<u>\$ 78,090</u>

**Claims Payable:**

The Pickaway County Auditor notified the District on September 25, 1996 of a liability due to personal tangible tax overpayments by General Electric Co. for the period of 1990 through 1995. The District received \$471,557 of the personal tangible tax overpayment. This amount was paid by the District in two equal reductions of \$235,779 in October, 1997 and \$235,778 October, 1998.



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

**13. NOTES AND LONG-TERM DEBT (Continued)**

**Capital Leases Payable:**

The District is making installment payments on computer equipment. This equipment has been capitalized in the general fixed assets account group. This obligation has an outstanding balance of \$39,139 at June 30, 1999. The following is a schedule of future minimum lease payments required under capital leases and present value of the minimum lease payments in the Governmental funds as of June 30, 1999:

	Year Ending June 30
FY2000	\$ 22,310
FY2001	22,309
	44,619
Less interest:	(5,480)
Present Value of Minimum Lease Payments	\$ 39,139

**Debt Limitation:**

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 has no unvoted debt, the District's unvoted debt margin is \$229,383. The voted debt limit at June 30, 1999 is \$20,644,494.

**14. INTERFUND TRANSACTIONS**

At June 30, 1999, the District had short-term interfund loans which are classified as "interfund receivables/payables" and as "due to/due from". An analysis of interfund balances is as follows:

**Interfund Receivables/Payables:**

	Receivables	Payables
General Fund	\$ 149,418	\$ 0
Special Revenue Funds	0	81,462
Enterprise Funds	0	67,956
	\$ 149,418	\$ 149,418

**Due From/To Other Funds:**

Homestead and Rollback Recognition- Due from the General Fund for the allocation that should be apportioned to the Debt Service Fund and Workers Compensation liability due from individual funds to be paid when due by an agency fund.

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

**14. INTERFUND TRANSACTIONS (Continued)**

	Due From Other	Due To Other
General Fund	\$ 0	\$ 132,829
Special Revenue Funds	0	430
Debt Service Fund	126,632	0
Enterprise Funds	0	179
Agency Fund	6,806	0
	\$ 133,438	\$ 133,438

**15. 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, during 1999, the District paid \$40,412 to MEC.

**16. 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.

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

**17. 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
Operating Revenues	\$ 393,368
Operating Expenses:	
Depreciation	(2,100)
Other Expenses	(653,613)
Total Operating Expenses	(655,713)
Operating Loss	(262,345)
Non Operating Revenues and	
State and Federal Grants	193,825
Federal Commodities	35,884
Transfers In	18,000
Loss on Disposal of Assets	(3,007)
Net Loss	\$ (17,643)
Net Working Capital	\$ (126,528)
Total Assets	\$ 142,448
Fixed Asset Additions	\$ 8,035
Fixed Asset Deletions	\$ 6,302
Retained Earnings	\$ (23,893)

**18. 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 Reserve	Capital Maintenance Reserve	Budget Stabilization Reserve	Total
Balance 7/1/1998	\$ 0	0	82,071	\$ 82,071
Required Set-Aside	212,644	212,644	0	425,288
Offset Credits	0	0	0	0
Qualifying Expenditures	(212,644)	(212,644)	0	(425,288)
Balance 6/30/1999	\$ 0	0	82,071	\$ 82,071

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

**18. STATUTORY RESERVES (Continued)**

Expenditures for capital activity during the year were \$279,694 which exceeded the required set-aside. Expenditures for textbook reserve were \$249,319 which exceeded the required set-aside. Fiscal year 1998 revenue exceeded fiscal year 1997 by 2.95% which is less than 3%, therefore, there is no requirement for a 1% set-aside under the budget stabilization reserve for fiscal year 1999. Fiscal year 1999 revenue does exceed fiscal year 1998 revenue by more than 3%. This will require an addition of \$106,322 to the budget stabilization reserve during fiscal year 2000.

**19. 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 \$4,874,133 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County is currently reviewing the new laws to determine whether they are constitutional under the "thorough and efficient" clause of the Ohio Constitution. A decision is expected from the Perry County Court sometime in early calendar 1999; either party then has the right to appeal that decision directly to the Ohio Supreme Court. Any decision made by the Court of Common Pleas is likely to be appealed.

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

**20. YEAR 2000 ISSUE**

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

The District has completed an inventory of computer systems and other equipment necessary to conducting District operations and has identified such systems as being financial reporting, payroll and employee benefits, and educational statistics reporting (through the State's Education Management and Information System (EMIS)). The District has six school buildings with digital security systems which have extensive efficiency utilization measures within the systems.

Property tax billing, collection and remittance for the District is handled by Pickaway County. The County is responsible for remediating this system, and is solely responsible for any associated costs.

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

**20. YEAR 2000 ISSUE (Continued)**

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

The District has completed validating and testing the changes needed in the power systems. Documentation from AST Controls year 2000 compliance statement reflects the ASIC/2-7040 is believed to be year 2000 compliant.

The District has completed validating and testing the changes in the digital security system. Per Digital Security Controls, Ltd.'s letter dated December 1, 1998, the security system is believed to be year 2000 compliant.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success or related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the District is or will be Year 2000 ready, that the District's remediation efforts will be successful in whole or in part, or that parties with whom the District does business will be year 2000 ready.

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

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program		10.550	\$0	\$35,568	\$0	\$35,884
National School Breakfast Program	05-PU-99	10.553	12,883	0	12,883	0
National School Lunch Program	04-PU-99	10.555	168,177	0	168,177	0
Total U.S. Department of Agriculture - Nutrition Cluster			<b>181,060</b>	<b>35,568</b>	<b>181,060</b>	<b>35,884</b>
<b><u>U.S. DEPARTMENT OF LABOR</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Employment Services and Job Training Program	WK-BE-98	17.249	18,538	0	15,371	0
Total Department of Labor			<b>18,538</b>	<b>0</b>	<b>15,371</b>	<b>0</b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education-Grants to States	6B-SF-97/98	84.027	128,237	0	109,447	0
Special Education-Preschool Grant	PG-S1-98	84.173	8,619	0	8,314	0
Total Special Education Cluster			<b>136,856</b>	<b>0</b>	<b>117,761</b>	<b>0</b>
Title I Grants to Local Educational Agencies	C1-S1-98/99	84.010	476,781	0	435,363	0
Project L.I.F.E.-School to Work Program	99B0105	84.158	35,000	0	27,682	0
Safe and Drug-Free Schools and Communities-State Grant	DR-S1-99	84.186	25,052	0	20,745	0
Goals 2000-State and Local Education Systematic Improvement Grant	G2-S1-98	84.276	0	0	3,311	0
Eisenhower Professional Development State Grant	MS-S1-99	84.281	12,293	0	25,567	0
Innovative Education Program Strategies	C2-S1-99	84.298	9,009	0	9,171	0
Total Department of Education			<b>709,213</b>	<b>0</b>	<b>643,204</b>	<b>0</b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
<b>Direct</b>						
E-Rate		84.XXX	14,222	0	3,604	0
Total Department of Education			<b>709,213</b>	<b>0</b>	<b>643,204</b>	<b>0</b>
<b><u>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Child Care and Development Block Grant	DC-S1-98	93.575	0	0	4,575	0
Total Department of Health & Human Services			<b>0</b>	<b>0</b>	<b>4,575</b>	<b>0</b>
<b>Totals</b>			<b>\$908,811</b>	<b>\$35,568</b>	<b>\$844,210</b>	<b>\$35,884</b>

The accompanying notes to this schedule are an integral part of this schedule.

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

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and 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, 1999, the District had no significant food commodities in inventory.





**STATE OF OHIO  
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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

Board of Education  
Circleville City School District  
388 Clark Drive  
Circleville, Ohio 43113

We have audited the general-purpose financial statements of Circleville City School District, Pickaway County, Ohio, (the District) as of and for the year ended June 30, 1999, and have issued our report thereon dated November 23, 1999 in which we noted the District changed its accounting for the deferred compensation plan. 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*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. 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 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 23, 1999.

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

**JIM PETRO**  
Auditor of State

November 23, 1999



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

Board of Education  
Circleville City School District  
388 Clark Drive  
Circleville, Ohio 43113

**Compliance**

We have audited the compliance of Circleville City School District, Pickaway County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that is applicable to its major federal program for the year ended June 30, 1999. 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, 1999.

**Internal Control Over Compliance**

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

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

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

**JIM PETRO**  
Auditor of State

November 23, 1999

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505**

JUNE 30, 1999

**1. SUMMARY OF AUDITOR'S RESULTS**

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

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None





STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

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**CIRCLEVILLE CITY SCHOOL DISTRICT**

**PICKAWAY COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 18, 2000**