



**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2000**



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

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**STATE OF OHIO**



**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

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

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

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Bloom Carroll Local School District, Fairfield County, Ohio, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

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

**JIM PETRO**  
Auditor of State

February 12, 2001

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**BLOOM CARROLL LOCAL SCHOOL DISTRICT**  
**Combined Balance Sheet**  
**All Fund Types and Account Groups**  
**June 30, 2000**

**GOVERNMENTAL FUND TYPES**

	General	Special Revenue	Debt Service	Capital Projects
<b><u>Assets and Other Debits:</u></b>				
<b><u>Assets:</u></b>				
Cash and Cash Equivalents	\$2,563,528	\$55,049	\$222,834	\$134,387
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Cash and Cash Equivalents with Fiscal Agents	0	0	2,900	0
<b><u>Receivables:</u></b>				
Taxes	3,924,878	0	0	0
Accounts	1,042	0	0	0
Intergovernmental	0	0	0	0
Accrued Interest	4,341	0	0	0
Materials and Supplies Inventory	0	0	0	0
Inventory Held for Resale	0	0	0	0
<b><u>Restricted Assets:</u></b>				
Cash and Cash Equivalents	278,514	0	0	0
Fixed Assets (Net of Accumulated Depreciation)	0	0	0	0
<b><u>Other Debits:</u></b>				
Amount Available in Debt Service Fund	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
<b>Total Assets and Other Debits</b>	<b>\$6,772,303</b>	<b>\$55,049</b>	<b>\$225,734</b>	<b>\$134,387</b>
<b><u>Liabilities, Fund Equity, and Other Credits:</u></b>				
<b><u>Liabilities:</u></b>				
Accounts Payable	76,861	0	0	0
Accrued Wages and Benefits Payable	658,270	22,044	0	0
Compensated Absences Payable	20,162	0	0	0
Intergovernmental Payable	151,743	3,193	0	0
Deferred Revenue	3,089,568	0	0	0
Due to Students	0	0	0	0
Matured Bonds Payable	0	0	2,900	0
Claims Payable	0	0	0	0
Capital Leases Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
<b>Total Liabilities</b>	<b>3,996,604</b>	<b>25,237</b>	<b>2,900</b>	<b>0</b>
<b><u>Fund Equity and Other Credits:</u></b>				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings	0	0	0	0
<b><u>Fund Balance:</u></b>				
Reserved for Encumbrances	270,564	0	0	0
Reserved for Contributions	0	0	0	0
Reserved for Property Taxes	92,643	0	0	0
Reserved for Statutory Set-Asides	278,514	0	0	0
<b><u>Unreserved:</u></b>				
Undesignated	2,133,978	29,812	222,834	134,387
<b>Total Fund Equity and Other Credits</b>	<b>2,775,699</b>	<b>29,812</b>	<b>222,834</b>	<b>134,387</b>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$6,772,303</b>	<b>\$55,049</b>	<b>\$225,734</b>	<b>\$134,387</b>

See accompanying notes to the general purpose financial statements.



Enterprise	<i>PROPRIETARY</i>	<i>FIDUCIARY</i>	<i>ACCOUNT GROUPS</i>		Totals (Memorandum Only)
	<i>FUND TYPES</i>	<i>FUND TYPES</i>	General Fixed Assets	General Long-Term Obligations	
	Internal Service	Trust and Agency			
\$39,142	\$23,352	\$57,422	\$0	\$0	\$3,095,714
0	11,060	0	0	0	11,060
0	0	0	0	0	2,900
0	0	0	0	0	3,924,878
0	0	0	0	0	1,042
4,597	0	0	0	0	4,597
0	0	0	0	0	4,341
541	0	0	0	0	541
10,691	0	0	0	0	10,691
0	0	0	0	0	278,514
35,674	0	0	7,577,799	0	7,613,473
0	0	0	0	222,834	222,834
0	0	0	0	927,352	927,352
<u>\$90,645</u>	<u>\$34,412</u>	<u>\$57,422</u>	<u>\$7,577,799</u>	<u>\$1,150,186</u>	<u>\$16,097,937</u>
0	0	0	0	0	76,861
18,827	0	0	0	0	699,141
4,401	0	0	0	639,809	664,372
14,617	0	0	0	40,441	209,994
9,200	0	0	0	0	3,098,768
0	0	25,049	0	0	25,049
0	0	0	0	0	2,900
0	78,808	0	0	0	78,808
0	0	0	0	45,536	45,536
0	0	0	0	424,400	424,400
<u>47,045</u>	<u>78,808</u>	<u>25,049</u>	<u>0</u>	<u>1,150,186</u>	<u>5,325,829</u>
0	0	0	7,577,799	0	7,577,799
114,813	0	0	0	0	114,813
(71,213)	(44,396)	0	0	0	(115,609)
0	0	0	0	0	270,564
0	0	31,759	0	0	31,759
0	0	0	0	0	92,643
0	0	0	0	0	278,514
0	0	614	0	0	2,521,625
<u>43,600</u>	<u>(44,396)</u>	<u>32,373</u>	<u>7,577,799</u>	<u>0</u>	<u>10,772,108</u>
<u>\$90,645</u>	<u>\$34,412</u>	<u>\$57,422</u>	<u>\$7,577,799</u>	<u>\$1,150,186</u>	<u>\$16,097,937</u>

**BLOOM CARROLL LOCAL SCHOOL DISTRICT**  
**Combined Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**All Governmental Fund Types and Expendable Trust Funds**  
**For the Fiscal Year Ended June 30, 2000**

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	Totals (Memorandum Only)
<b><u>Revenues:</u></b>						
Taxes	\$4,927,016	\$0	\$0	\$0	\$0	\$4,927,016
Intergovernmental	3,761,981	207,609	0	46,654	0	4,016,244
Interest	201,037	75	0	0	0	201,112
Tuition and Fees	476,279	0	0	0	0	476,279
Extracurricular Activities	0	70,438	0	0	0	70,438
Gifts and Donations	85,000	7,539	0	0	1,401	93,940
Miscellaneous	27,386	7,359	0	0	0	34,745
<b>Total Revenues</b>	<b>9,478,699</b>	<b>293,020</b>	<b>0</b>	<b>46,654</b>	<b>1,401</b>	<b>9,819,774</b>
<b><u>Expenditures:</u></b>						
<i>Current:</i>						
<i>Instruction:</i>						
Regular	3,835,932	62,141	0	4,758	0	3,902,831
Special	503,306	114,325	0	0	0	617,631
Vocational	196,971	0	0	0	0	196,971
Other	149,975	0	0	0	0	149,975
<i>Support Services:</i>						
Pupils	375,758	38,500	0	0	0	414,258
Instructional Staff	181,046	12,976	0	0	0	194,022
Board of Education	55,399	0	0	0	0	55,399
Administration	923,859	15,187	0	0	0	939,046
Fiscal	147,086	580	0	0	0	147,666
Business	111	0	0	0	0	111
Operation and Maintenance of Plant	1,067,038	0	0	1,220	0	1,068,258
Pupil Transportation	537,715	0	0	0	0	537,715
Central	68,959	0	0	0	0	68,959
Non-Instructional Services	0	0	0	0	1,612	1,612
Extracurricular Activities	223,327	88,619	0	0	0	311,946
Capital Outlay	47,582	0	0	0	0	47,582
<i>Debt Service:</i>						
Principal Retirement	67,760	0	85,000	0	0	152,760
Interest and Fiscal Charges	25,671	0	9,244	0	0	34,915
<b>Total Expenditures</b>	<b>8,407,495</b>	<b>332,328</b>	<b>94,244</b>	<b>5,978</b>	<b>1,612</b>	<b>8,841,657</b>
Excess of Revenues Over (Under) Expenditures	1,071,204	(39,308)	(94,244)	40,676	(211)	978,117
<b><u>Other Financing Sources (Uses):</u></b>						
Operating Transfers In	0	874	0	0	0	874
Operating Transfers Out	(874)	0	0	0	0	(874)
<b>Total Other Financing Sources (Uses)</b>	<b>(874)</b>	<b>874</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,070,330	(38,434)	(94,244)	40,676	(211)	978,117
Increase (Decrease) in Reserve for Inventory	(10,766)	0	0	0	0	(10,766)
Fund Balance at Beginning of Year	1,716,135	68,246	317,078	93,711	825	2,195,995
Fund Balance at End of Year	<u>\$2,775,699</u>	<u>\$29,812</u>	<u>\$222,834</u>	<u>\$134,387</u>	<u>\$614</u>	<u>\$3,163,346</u>

See accompanying notes to the general purpose financial statements.

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**BLOOM CARROLL LOCAL SCHOOL DISTRICT**  
**Combined Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual (Budget Basis)**  
**All Governmental Fund Types and Expendable Trust Funds**  
**For the Fiscal Year Ended June 30, 2000**

	<b>GENERAL FUND</b>		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b><u>Revenues:</u></b>			
Taxes	\$4,722,226	\$4,760,105	\$37,879
Intergovernmental	3,764,225	3,762,581	(1,644)
Interest	199,000	201,351	2,351
Tuition and Fees	477,234	477,102	(132)
Extracurricular Activities	0	0	0
Gifts and Donations	75,000	85,000	10,000
Miscellaneous	33,932	32,661	(1,271)
<i>Total Revenues</i>	9,271,617	9,318,800	47,183
<b><u>Expenditures:</u></b>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	3,744,034	3,737,056	6,978
Special	501,592	501,130	462
Vocational	198,716	200,634	(1,918)
Other	149,975	149,975	0
<i>Support Services:</i>			
Pupils	369,552	371,620	(2,068)
Instructional Staff	182,159	175,328	6,831
Board of Education	63,399	62,514	885
Administration	980,471	966,372	14,099
Fiscal	148,795	148,647	148
Business	111	111	0
Operation and Maintenance of Plant	1,192,391	1,193,888	(1,497)
Pupil Transportation	682,967	653,755	29,212
Central	81,459	81,459	0
Non-Instructional Services	0	0	0
Extracurricular Activities	225,573	222,524	3,049
Capital Outlay	47,582	47,582	0
<i>Debt Service:</i>			
Principal Retirement	60,000	60,000	0
Interest and Fiscal Charges	20,864	20,864	0
<i>Total Expenditures</i>	8,649,640	8,593,459	56,181
Excess of Revenues Over (Under) Expenditures	621,977	725,341	103,364
<b><u>Other Financing Sources (Uses):</u></b>			
Operating Transfers In	0	0	0
Refund of Prior Years Expenditures	0	0	0
Other Financing Sources	980	1,225	245
Operating Transfers Out	(874)	(874)	0
Refund of Prior Year Receipts	0	0	0
<i>Total Other Financing Sources (Uses)</i>	106	351	245
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	622,083	725,692	103,609
Fund Balances at Beginning of Year	1,574,445	1,574,445	0
Fund Balances at End of Year	\$2,196,528	\$2,300,137	\$103,609

See accompanying notes to the general purpose financial statements.

SPECIAL REVENUE FUNDS			DEBT SERVICE FUND		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$0	\$0	\$0
223,367	215,748	(7,619)	0	0	0
75	75	0	0	0	0
0	0	0	0	0	0
78,773	71,813	(6,960)	0	0	0
7,539	7,539	0	0	0	0
<u>7,770</u>	<u>7,841</u>	<u>71</u>	<u>0</u>	<u>0</u>	<u>0</u>
317,524	303,016	(14,508)	0	0	0
63,058	62,082	976	0	0	0
132,931	110,473	22,458	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
43,308	37,540	5,768	0	0	0
17,061	10,576	6,485	0	0	0
0	0	0	0	0	0
19,872	15,228	4,644	0	0	0
577	577	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,800	0	1,800	0	0	0
97,701	90,829	6,872	0	0	0
0	0	0	0	0	0
0	0	0	85,000	85,000	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>9,244</u>	<u>9,244</u>	<u>0</u>
<u>376,308</u>	<u>327,305</u>	<u>49,003</u>	<u>94,244</u>	<u>94,244</u>	<u>0</u>
(58,784)	(24,289)	34,495	(94,244)	(94,244)	0
874	874	0	0	0	0
145	145	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(11)	(11)	0	0	0	0
<u>1,008</u>	<u>1,008</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(57,776)	(23,281)	34,495	(94,244)	(94,244)	0
<u>78,330</u>	<u>78,330</u>	<u>0</u>	<u>317,078</u>	<u>317,078</u>	<u>0</u>
<u>\$20,554</u>	<u>\$55,049</u>	<u>\$34,495</u>	<u>\$222,834</u>	<u>\$222,834</u>	<u>\$0</u>

(Continued)

**BLOOM CARROLL LOCAL SCHOOL DISTRICT**  
**Combined Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual (Budget Basis)**  
**All Governmental Fund Types and Expendable Trust Funds**  
**For the Fiscal Year Ended June 30, 2000**

	<b>CAPITAL PROJECTS FUNDS</b>		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b><u>Revenues:</u></b>			
Taxes	\$0	\$0	\$0
Intergovernmental	46,654	46,654	0
Interest	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Gifts and Donations	0	0	0
Miscellaneous	0	0	0
<i>Total Revenues</i>	<u>46,654</u>	<u>46,654</u>	<u>0</u>
<b><u>Expenditures:</u></b>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	38,894	4,758	34,136
Special	0	0	0
Vocational	0	0	0
Other	0	0	0
<i>Support Services:</i>			
Pupils	0	0	0
Instructional Staff	33,922	0	33,922
Board of Education	0	0	0
Administration	0	0	0
Fiscal	0	0	0
Business	0	0	0
Operation and Maintenance of Plant	20,895	1,220	19,675
Pupil Transportation	0	0	0
Central	0	0	0
Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	0	0	0
<i>Debt Service:</i>			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>93,711</u>	<u>5,978</u>	<u>87,733</u>
Excess of Revenues Over (Under) Expenditures	(47,057)	40,676	87,733
<b><u>Other Financing Sources (Uses):</u></b>			
Operating Transfers In	0	0	0
Refund of Prior Years Expenditures	0	0	0
Other Financing Sources	0	0	0
Operating Transfers Out	0	0	0
Refund of Prior Year Receipts	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(47,057)	40,676	87,733
Fund Balances at Beginning of Year	<u>93,711</u>	<u>93,711</u>	<u>0</u>
Fund Balances at End of Year	<u>\$46,654</u>	<u>\$134,387</u>	<u>\$87,733</u>

See accompanying notes to the general purpose financial statements.

EXPENDABLE TRUST FUNDS			TOTALS (MEMORANDUM ONLY)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$4,722,226	\$4,760,105	\$37,879
0	0	0	4,034,246	4,024,983	(9,263)
0	0	0	199,075	201,426	2,351
0	0	0	477,234	477,102	(132)
0	0	0	78,773	71,813	(6,960)
1,401	1,401	0	83,940	93,940	10,000
0	0	0	41,702	40,502	(1,200)
<u>1,401</u>	<u>1,401</u>	<u>0</u>	<u>9,637,196</u>	<u>9,669,871</u>	<u>32,675</u>
0	0	0	3,845,986	3,803,896	42,090
0	0	0	634,523	611,603	22,920
0	0	0	198,716	200,634	(1,918)
0	0	0	149,975	149,975	0
0	0	0	412,860	409,160	3,700
0	0	0	233,142	185,904	47,238
0	0	0	63,399	62,514	885
0	0	0	1,000,343	981,600	18,743
0	0	0	149,372	149,224	148
0	0	0	111	111	0
0	0	0	1,213,286	1,195,108	18,178
0	0	0	682,967	653,755	29,212
0	0	0	81,459	81,459	0
1,463	1,612	(149)	3,263	1,612	1,651
0	0	0	323,274	313,353	9,921
0	0	0	47,582	47,582	0
0	0	0	145,000	145,000	0
0	0	0	30,108	30,108	0
<u>1,463</u>	<u>1,612</u>	<u>(149)</u>	<u>9,215,366</u>	<u>9,022,598</u>	<u>192,768</u>
(62)	(211)	(149)	421,830	647,273	225,443
0	0	0	874	874	0
0	0	0	145	145	0
0	0	0	980	1,225	245
0	0	0	(874)	(874)	0
0	0	0	(11)	(11)	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,114</u>	<u>1,359</u>	<u>245</u>
(62)	(211)	(149)	422,944	648,632	225,688
<u>825</u>	<u>825</u>	<u>0</u>	<u>2,064,389</u>	<u>2,064,389</u>	<u>0</u>
<u>\$763</u>	<u>\$614</u>	<u>(\$149)</u>	<u>\$2,487,333</u>	<u>\$2,713,021</u>	<u>\$225,688</u>

**BLOOM CARROLL LOCAL SCHOOL DISTRICT**  
**Combined Statement of Revenues,**  
**Expenses and Changes in Fund Equity**  
**All Proprietary Fund Types and Nonexpendable Trust Funds**  
**For the Fiscal Year Ended June 30, 2000**

	<u><b>PROPRIETARY FUND TYPES</b></u>			Totals
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Nonexpendable Trust</u>	<u>(Memorandum Only)</u>
<b><u>Operating Revenues:</u></b>				
Sales	\$235,234	\$0	\$0	\$235,234
Charges for Services	0	517,220	0	517,220
Interest	0	0	1,850	1,850
Contributions and Donations	0	0	720	720
<i>Total Operating Revenues</i>	<u>235,234</u>	<u>517,220</u>	<u>2,570</u>	<u>755,024</u>
<b><u>Operating Expenses:</u></b>				
Salaries	123,425	0	0	123,425
Fringe Benefits	42,250	560,310	0	602,560
Purchased Services	6,476	12,924	0	19,400
Material and Supplies	8,316	0	0	8,316
Cost of Sales	128,538	0	0	128,538
Depreciation	3,676	0	0	3,676
Other Expenses	723	44,449	3,000	48,172
<i>Total Operating Expenses</i>	<u>313,404</u>	<u>617,683</u>	<u>3,000</u>	<u>934,087</u>
Operating Income (Loss)	(78,170)	(100,463)	(430)	(179,063)
<b><u>Nonoperating Revenues (Expenses):</u></b>				
Federal Donated Commodities	32,005	0	0	32,005
Interest Income	1,383	30	0	1,413
Federal and State Subsidies	34,147	0	0	34,147
Loss on Disposal of Fixed Assets	(829)	0	0	(829)
<i>Total Nonoperating Revenues (Expenses)</i>	<u>66,706</u>	<u>30</u>	<u>0</u>	<u>66,736</u>
Net Income (Loss)	(11,464)	(100,433)	(430)	(112,327)
Retained Earnings at Beginning of Year, As Restated	<u>(59,749)</u>	<u>56,037</u>	<u>32,189</u>	<u>28,477</u>
Retained Earnings at End of Year	(71,213)	(44,396)	31,759	(83,850)
Contributed Capital at End of Year	<u>114,813</u>	<u>0</u>	<u>0</u>	<u>114,813</u>
Fund Equity at End of Year	<u><u>\$43,600</u></u>	<u><u>(\$44,396)</u></u>	<u><u>\$31,759</u></u>	<u><u>\$30,963</u></u>

See accompanying notes to the general purpose financial statements.



**BLOOM CARROLL LOCAL SCHOOL DISTRICT**  
**Combined Statement of Cash Flows**  
**All Proprietary Fund Types and Nonexpendable Trust Funds**  
**For the Fiscal Year Ended June 30, 2000**

	<u>PROPRIETARY FUND TYPES</u>			Totals
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Nonexpendable Trust</u>	<u>(Memorandum Only)</u>
<b><u>Increase (Decrease) in Cash and Cash Equivalents:</u></b>				
<b><u>Cash Flows from Operating Activities:</u></b>				
Cash Received from Sales	\$235,190	\$0	\$0	\$235,190
Cash Received from Quasi-External Transactions with Other Funds	0	517,220	0	517,220
Cash Received from Contributions and Donations	0	0	720	720
Cash Received from Other Operating Revenues	44	0	0	44
Cash Payments to Suppliers for Goods and Services	(102,077)	(12,924)	0	(115,001)
Cash Payments to Employees for Services	(119,243)	0	0	(119,243)
Cash Payments for Employee Benefits	(44,054)	(513,818)	0	(557,872)
Cash Payments for Other Operating Expenses	(723)	(44,449)	(3,000)	(48,172)
<b>Net Cash from Operating Activities</b>	<b>(30,863)</b>	<b>(53,971)</b>	<b>(2,280)</b>	<b>(87,114)</b>
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>				
Operating Grants Received	33,634	0	0	33,634
<b>Net Cash from Noncapital Financing Activities</b>	<b>33,634</b>	<b>0</b>	<b>0</b>	<b>33,634</b>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>				
Payments for Capital Acquisitions	(1,079)	0	0	(1,079)
<b>Net Cash from Capital and Related Financing Activities</b>	<b>(1,079)</b>	<b>0</b>	<b>0</b>	<b>(1,079)</b>
<b><u>Cash Flows from Investing Activities:</u></b>				
Interest Received on Investments	1,383	30	1,850	3,263
<b>Net Cash from Investing Activities</b>	<b>1,383</b>	<b>30</b>	<b>1,850</b>	<b>3,263</b>
Net Increase (Decrease) in Cash and Cash Equivalents	3,075	(53,941)	(430)	(51,296)
Cash and Cash Equivalents at Beginning of Year	36,067	88,353	32,189	156,609
Cash and Cash Equivalents at End of Year	<u>\$39,142</u>	<u>\$34,412</u>	<u>\$31,759</u>	<u>\$105,313</u>
<b><u>Reconciliation of Operating Income (Loss)</u></b>				
<b><u>to Net Cash from Operating Activities:</u></b>				
Operating Income (Loss)	(\$78,170)	(\$100,463)	(\$430)	(\$179,063)
<b><u>Adjustments to Reconcile Operating Income (Loss)</u></b>				
<b><u>to Net Cash from Operating Activities:</u></b>				
Depreciation	3,676	0	0	3,676
Donated Commodities Used During Year	32,005	0	0	32,005
Interest Receipts	0	0	(1,850)	(1,850)
<b><u>Changes in Assets and Liabilities:</u></b>				
(Increase) Decrease in Inventory Held for Resale	1,990	0	0	1,990
(Increase) Decrease in Materials and Supplies Inventory	1,368	0	0	1,368
Increase (Decrease) in Accrued Wages and Benefits Payable	1,550	0	0	1,550
Increase (Decrease) in Compensated Absences Payable	1,237	0	0	1,237
Increase (Decrease) in Intergovernmental Payable	(409)	0	0	(409)
Increase (Decrease) in Deferred Revenue	5,890	0	0	5,890
Increase (Decrease) in Claims Payable	0	46,492	0	46,492
Total Adjustments	<u>47,307</u>	<u>46,492</u>	<u>(1,850)</u>	<u>91,949</u>
<b>Net Cash from Operating Activities</b>	<b>(30,863)</b>	<b>(53,971)</b>	<b>(2,280)</b>	<b>(87,114)</b>
<b><u>Reconciliation of Cash and Cash Equivalents - Balance Sheet to Statement of Cash Flows:</u></b>				
Cash and Cash Equivalents Per Balance Sheet - Fiduciary Funds			\$57,422	
Cash and Cash Equivalents - Expendable Trust and Agency Funds			<u>(25,663)</u>	
Cash and Cash Equivalents Per Statement of Cash Flows - Nonexpendable Trust Funds			<u>\$31,759</u>	

See accompanying notes to the general purpose financial statements.

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**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

**1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

**Description of Entity**

Bloom Carroll Local School District (the District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a local school district as defined by Section 3313.3 of the Ohio Revised Code. The District operates under a locally-elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. This Board of Education controls the District's instructional/support facilities staffed by 48 classified and 105 certificated full time administrative and teaching personnel who provide services to 1,494 students and other community members.

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

**Reporting Entity**

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

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

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

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

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

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

**1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY (Continued)**

**Reporting Entity (Continued)**

The District is associated with four jointly governed organizations, and one insurance purchasing pool. These organizations are the Metropolitan Educational Council, the Fairfield County Council for Educational Collaboration, the South Central Ohio Insurance Consortium, the Central Ohio Special Education Regional Resource Center, and the Ohio School Boards Association Worker's Compensation Group Rating Program. These organizations are presented in Notes 16 and 17 to the general purpose financial statements.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Basis of Presentation - 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 District functions or activities.

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

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

**Governmental Fund Types:**

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

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

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Governmental Fund Types: (Continued)**

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

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

**Capital Projects Funds** - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or 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 District's proprietary fund types:

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

**Internal Service Fund** - This fund accounts for the financing of services provided by one department or agency to other departments or agencies of the District on a cost reimbursement basis.

**Fiduciary Fund Types:**

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The following are the District's 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. These funds are accounted for in essentially the same manner as governmental funds.

**Nonexpendable Trust Funds** - These funds account for trust principal which may not be expended. Only interest earned on the principal may be used for trust operations. These funds are accounted for in essentially the same manner as proprietary funds.

**Agency Funds** - These funds are purely custodial in nature (assets equal liabilities) and thus do not involve measurement of results of operations.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

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

**Account Groups:**

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

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

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

**Measurement Focus and Basis of Accounting**

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

All proprietary fund types and nonexpendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

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

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

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

The District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2000 and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2001 operations, have been recorded as deferred revenue.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

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

**Measurement Focus and Basis of Accounting (Continued)**

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

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

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

**Budgetary Data**

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

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

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

**Estimated Resources:** By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2000. Prior to year-end, the District requested an amended certificate of estimated resources that reflected actual revenue for the fiscal year.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

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

**Appropriations:** Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission. Any revisions that alter the total of any fund appropriations or alter total function appropriations within a fund, or alter objective appropriations within functions, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions.

**Encumbrances:** As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the budget basis (non-GAAP) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Encumbrances plus expenditures may not legally exceed appropriations at the legal level of control. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

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

**Cash and Cash Equivalents**

To improve cash management, all cash received by the District is pooled in a central bank account. Monies for all funds, including proprietary funds are maintained in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through District records. Each fund's interest in the pool is presented as "Cash and Cash Equivalents" on the combined balance sheet. Investment earnings are all allocated as authorized by State statute.

Except for nonparticipating investment contracts investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

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



**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

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

**Cash and Cash Equivalents (Continued)**

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, Special Revenue, Enterprise, Internal Service and Nonexpendable Trust Funds as authorized by board resolution. Interest income earned in fiscal year 2000 totaled \$204,375.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of a cash management pool and investments with a maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents.

**Taxes Receivable**

The financial statements reflect taxes receivable as of June 30, 2000. 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, 2000 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.

**Inventory**

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated food, purchased food, and supplies. The District had no inventory in the governmental funds as of June 30, 2000.

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2000 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed. The District had no prepaid items as of June 30, 2000.

**Restricted Assets**

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

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

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

**Fixed Assets and Depreciation**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and related assets are reported in the General Fixed Assets Account Group. Fixed assets utilized in the proprietary funds are capitalized in the respective funds. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair values as of the date received. The District maintains a capitalization threshold of five hundred dollars for general fixed assets. No threshold is used for proprietary fixed assets. The District does not possess any infrastructure. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of general fixed assets is also not capitalized.

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

**Intergovernmental Revenues**

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as nonoperating 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  
Homestead and Rollback Tax Subsidy

**Special Revenue Funds**

Educational Management Information Systems

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

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

**Intergovernmental Revenues (Continued)**

**Non-Reimbursable Grants**

**Special Revenue Funds**

- Professional Development Block Grant
- Data Communications Grant
- Textbook/Materials Subsidy
- Ohio Reads
- Safe Schools Hotline
- Dwight D. Eisenhower Professional Development
- Title I
- Title VI
- Title VI-B
- Telecommunications (E-Rate)Grant
- Title VI-R

**Capital Projects Funds**

- School Net Plus

**Reimbursable Grants**

**General Fund**

- Driver Education Reimbursement

**Enterprise Fund**

- National School Lunch Program
- Government Donated Commodities

Grant and entitlements amounted to approximately 40% of the District's operating revenue during the 2000 fiscal year.

**Interfund Assets/Liabilities**

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables" and "interfund payables". Long-term interfund loans are classified as "advances to/from other funds" and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources since they are not a component of net current assets. The District had no interfund assets and liabilities as of June 30, 2000.

**Compensated Absences**

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

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

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

**Compensated Absences (Continued)**

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

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

**Accrued Liabilities and Long-Term Obligations**

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgements, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the General Long-Term Obligations Account Group to the extent that they will not be paid with current expendable available financial resources. Payments made more than sixty days after fiscal year end are considered not to have been paid with current available financial resources. Bonds and capital leases are recognized as a liability of the General Long-Term Obligations Account Group until due.

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

**Interfund Transactions**

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

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

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

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

**Fund Balance Reserves**

The District records reservations for portions of fund equity which are legally segregated for a specific future use or which do not represent available spendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that a portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, statutory set-asides, property taxes, and contributions. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for statutory set-asides represents the amounts that have been set aside to meet the requirements of House Bill No. 412. Nonexpendable Trust Funds have been reserved for contributions.

**Contributed Capital**

Contributed capital represents resources from other funds, other governments and private sources provided to the proprietary funds that are not subject to repayment. These assets are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end. There were no changes in contributed capital during fiscal year 2000. At June 30, 2000, the District had \$114,813 of contributed capital.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Total Columns on General Purpose Financial Statements**

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

**3. BUDGETARY BASIS OF ACCOUNTING**

**Budgetary Basis of Accounting**

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

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

**3. BUDGETARY BASIS OF ACCOUNTING (Continued)**

**Budgetary Basis of Accounting (Continued)**

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

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type.

Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses All Governmental Fund Types and Expendable Trust Funds					
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
GAAP Basis	\$1,070,330	(\$38,434)	(\$94,244)	\$40,676	(\$211)
<i>Adjustments:</i>					
Revenue Accruals	(159,899)	9,996	0	0	0
Expenditure Accruals	(185,964)	5,023	0	0	0
Other Financing Sources (Uses)	1,225	134	0	0	0
Budget Basis	\$725,692	(\$23,281)	(\$94,244)	\$40,676	(\$211)

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

**4. RESTATEMENT OF FUND EQUITY**

During the previous fiscal year, the District misstated accumulated depreciation on its' Enterprise fixed assets, which caused "Fixed Assets" to be overstated at June 30, 1999. Additionally, the District misstated the cash balance being held for the District by the South Central Ohio Insurance Consortium, of which the District is a member. This misstatement caused the District's "Cash in Segregated Accounts" to be understated at June 30, 1999. The effect of these adjustments on retained earnings as previously reported for the year ended June 30, 1999 is as follows:

	Enterprise	Internal Service
Retained Earnings as Previously Reported	(\$15,173)	(\$1,183)
Overstatement of Fixed Assets	(44,576)	0
Understatement of Cash in Segregated Accounts	0	57,220
Restated Retained Earnings as of July 1, 1999	(\$59,749)	\$56,037

**5. ACCOUNTABILITY AND COMPLIANCE**

**Fund Deficits**

Fund balances/retained earnings at June 30, 2000 included the following individual fund deficits:

<b>Special Revenue Funds:</b>	
Title I	\$3,880
Title VI-R	59
<b>Enterprise Fund:</b>	
Food Service	71,213
<b>Internal Service Fund:</b>	
Self Insurance	44,396

The deficits in these funds are the result of the application of generally accepted accounting principles and the requirement to accrue liabilities when incurred. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur. These deficits do not exist on the cash basis.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

**5. ACCOUNTABILITY AND COMPLIANCE (Continued)**

**Compliance**

The following funds and accounts had expenditures plus encumbrances in excess of appropriations at year end, contrary to section 5705.41, Ohio Revised Code:

<b>General Fund:</b>	
Vocational Instruction	\$1,918
Support Services - Pupils	2,068
Support Services - Operation and Maintenance of Plant	1,497
<b>Expendable Trust Fund:</b>	
Non-Instructional Services	149

**6. CASH AND CASH EQUIVALENTS**

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

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

Inactive deposits are public deposits that the Board has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must be either 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 moneys. Interim moneys are those moneys which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of 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 or interest by the United States;
- (2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government 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;



**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

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

- (3) Written repurchase agreements in the securities listed above, provided that the fair 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 fair value daily, and that the term of the agreement must not exceed thirty days;
- (4) Bonds and other obligations of the State of Ohio;
- (5) No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section, and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- (6) The State Treasurer's investment pool (STAR Ohio); and
- (7) Certain banker's 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 interim monies available for investment at any one time.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the 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 investment 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 \$19,389, and the bank balance was \$301,716. Of the bank balance, \$102,900 was covered by federal depository insurance. \$198,816 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institutions' trust department in the District's name and all State statutory requirements for the investments of money had been followed, noncompliance with federal requirements would potentially subject the money to a successful claim by the Federal Deposit Insurance Corporation.

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

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

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

	Carrying Amount	Fair Value
STAR Ohio	\$3,354,839	\$3,354,839

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

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

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$3,388,188	\$0
<b>Investments:</b>		
STAR Ohio	(3,354,839)	3,354,839
Cash in Segregated Account	(11,060)	0
Cash with Fiscal Agent	(2,900)	0
GASB Statement 3	\$19,389	\$3,354,839

**7. PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31, of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31. Tangible personal property assessments are 25 percent of true value.

Real property taxes are paid by taxpayers annually or semi-annually. If paid annually, payment is due December 31, unless extended; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20, unless extended. Under certain circumstances, State statute permits earlier or later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

**7. PROPERTY TAXES (Continued)**

The District receives property taxes from Fairfield County. The County Auditor periodically advances to the District their portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2000 are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the fiscal year are measurable, only the amount available as an advance at June 30, 2000 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The total amount available as an advance at June 30, 2000 was \$297,886 and is recognized as revenue in the General Fund.

The assessed values upon which the fiscal year 2000 taxes were collected are:

	1999 Second-Half Collections		2000 First-Half Collections	
	Amount	Percent	Amount	Percent
Agriculture/Residential and Other Real Estate	\$140,746,960	89.78%	\$146,122,770	88.82%
Public Utility Personal	9,075,980	5.79%	9,106,390	5.54%
Tangible Personal Property	6,950,426	4.43%	9,281,852	5.64%
<b>Total Assessed Value</b>	<b>\$156,773,366</b>	<b>100.00%</b>	<b>\$164,511,012</b>	<b>100.00%</b>
Tax rate per \$1,000 of assessed valuation		\$42.30		\$42.30

**8. RECEIVABLES**

Receivables at June 30, 2000 consisted of taxes, accounts (rent and student fees) and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

<b>Enterprise Fund:</b>	
Food Service	\$4,597
<b>Total Intergovernmental Receivables</b>	<u><u>\$4,597</u></u>

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

**9. FIXED ASSETS**

A summary of the Enterprise Fund fixed assets at June 30, 2000 follows:

Furniture and Equipment	\$155,396
Less: Accumulated Depreciation	(119,722)
Net Fixed Assets	\$35,674

A summary of the changes in general fixed assets during fiscal year 2000 follows:

Asset Category	Balance at July 1, 1999	Transfers/ Additions	Transfers/ Deletions	Balance at June 30, 2000
Land and Improvements	\$171,351	\$7,414	\$0	\$178,765
Buildings	4,169,196	147,375	0	4,316,571
Furniture and Equipment	2,169,183	150,517	57,960	2,261,740
Vehicles	765,414	125,709	70,400	820,723
Total General Fixed Assets	\$7,275,144	\$431,015	\$128,360	\$7,577,799

There was no significant construction in progress at June 30, 2000.

**10. DEFINED BENEFIT PENSION PLANS**

**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 East Broad Street, Columbus, Ohio 43215-3771 or by calling (614) 227-4090.

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. 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 required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$590,532, \$524,136, and \$490,704, respectively; 82.7 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$103,916 representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

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

**School Employees Retirement System**

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute, Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215 or by calling (614) 222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2000, 7.70 percent of the annual covered salary was the portion used to fund pension obligations; for fiscal year 1999, 9.02 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$130,494, \$122,880, and \$120,492, respectively; 44.6 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$67,860 representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds and the General Long-Term Obligations Account Group.

**Social Security System**

Effective June 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, 2000, three members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

**11. 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-certificated employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both Systems are 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. For fiscal year 2000, the Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$343,726 during fiscal year 2000.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

**11. POSTEMPLOYMENT BENEFITS (Continued)**

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$2.783 billion at June 30, 1999. For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 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 returning 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 fiscal year 2000, employer contributions to fund health care benefits were 8.50 percent of covered payroll, an increase from 6.30 percent for fiscal year 1999. 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 2000, 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 150 percent of annual health care expenses. Expenses for health care at June 30, 1999 were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$188.0 million. The number of participants currently receiving health care benefits is approximately 51,000. For the District, the amount to fund health care benefits, including the surcharge, equaled \$70,072 during the 2000 fiscal year.

**12. EMPLOYEE BENEFITS**

**Compensated Absences**

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

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

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

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

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

**12. EMPLOYEE BENEFITS (Continued)**

**Compensated Absences (Continued)**

**Severance: (Continued)**

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

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

**13. RISK MANAGEMENT**

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

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

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

The District maintains replacement cost insurance on buildings and contents in the amount of \$18,961,000.

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

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 share equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Company provides administrative, cost control and actuarial services to the GRP.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

**13. RISK MANAGEMENT (Continued)**

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

Expenses for claims are recorded as other expenses when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using expected future investment assumptions as determined by the third party administrator. These liabilities are reported at their present value of \$78,808 at June 30, 2000.

A summary of changes in self-insurance claims activity for the past two years are as follows:

Fiscal Year	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of year
1999	\$45,018	\$383,934	\$396,636	\$32,316
2000	32,316	560,310	513,818	78,808

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

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



**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

**14. LONG-TERM OBLIGATIONS**

A summary of changes in long-term obligations for the year ended June 30, 2000, are as follows:

	Interest Rate	Balance at 7/1/99	Additions	Deletions	Balance at 6/30/00
Compensated Absences Payable	N/A	\$657,738	\$0	\$17,929	\$639,809
Intergovernmental Payable	N/A	42,895	0	2,454	40,441
Capital Leases Payable	6.00%	53,296	0	7,760	45,536
General Obligation Bonds Payable:					
Construction Bonds	7.25%	170,000	0	85,000	85,000
Energy Conservation Bonds (1994)	6.00%	259,400	0	40,000	219,400
Energy Conservation Bonds (1997)	5.00%	140,000	0	20,000	120,000
Total General Obligation Bonds Payable		569,400	0	145,000	424,400
Total General Long-Term Obligations		<u>\$1,323,329</u>	<u>\$0</u>	<u>\$173,143</u>	<u>\$1,150,186</u>

**Construction General Obligation Bonds** - On February 2, 1980, the District issued general obligation bonds for the purpose of additional construction and equipping the high school building and improving the site thereof. These bonds mature December 2000, and are in full compliance with the general laws of the State of Ohio, particularly Sections 133.01 to 133.48, inclusive, of the Revised Code and Section 133.09 thereof. These bonds are retired through the Debt Service Fund.

**Energy Conservation General Obligation Bonds** - On October 10, 1994, the District issued \$369,400 of general obligation bonds relating to a House Bill 264 project, for the purpose of improving and repairing of furnaces and roofs. These bonds mature December 2004, and are in full compliance with the general laws of the State of Ohio, particularly Sections 133.01 to 133.48, inclusive, of the Revised Code and Section 133.09 thereof. These bonds are retired through the General Fund through the reductions in energy consumption and cost savings attributed to the installation of energy conservation improvements.

**Energy Conservation General Obligation Bonds** - On January 15, 1997, the District issued \$179,250 of general obligation bonds relating to a House Bill 264 project, for the purpose of improving and repairing of furnaces and roofs. These bonds mature January 2005, and are in full compliance with the general laws of the State of Ohio, particularly Sections 133.01 to 133.48, inclusive, of the Revised Code and Section 133.09 thereof. These bonds are retired through the General Fund through the reductions in energy consumption and cost savings attributed to the installation of energy conservation improvements.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

**14. LONG-TERM OBLIGATIONS (Continued)**

The annual maturities of the general obligation bonds as of June 30, 2000, and related interest payments are as follows:

Year Ending June 30	Construction Bonds	Energy Conservation Bonds	Total
2001	\$88,081	\$77,464	\$165,545
2002	0	83,789	83,789
2003	0	79,839	79,839
2004	0	75,889	75,889
2005	0	71,357	71,357
Total Principal & Interest	88,081	388,338	476,419
Less: Interest	(3,081)	(48,938)	(52,019)
Total Principal	<u>\$85,000</u>	<u>\$339,400</u>	<u>\$424,400</u>

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 0.1% of the total assessed value of property. The District's overall legal debt margin was \$14,381,591, with an unvoted debt margin of \$164,511 at June 30, 2000.

**15. CAPITAL LEASES**

In fiscal year 1999, the District entered into a capitalized lease for copiers. The lease meets the criteria of a capital lease as defined by *Statement of Financial Accounting Standards No. 13, "Accounting for Leases."* which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the combined financial statements in the General Fund. However, these expenditures are reported as current expenditures on the combined budgetary statements.

General fixed assets consisting of furniture and equipment have been capitalized in the General Fixed Assets Account Group in the amount of \$51,345. This amount represents the present value of the minimum lease payments at the time of acquisition. At the time of acquisition, a corresponding liability was recorded in the General Long-Term Obligations Account Group. Principal payments for this capital lease in fiscal year 2000 totaled \$7,760 in the General Fund.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

**15. CAPITAL LEASES (Continued)**

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2000:

Fiscal Year Ending June 30	General Long-Term Obligations Account Group
2001	\$13,709
2002	13,709
2003	13,709
2004	13,709
2005	1,142
Total Minimum Lease Payments	55,978
Less: Amount Representing Interest	(10,442)
Present Value of Net Minimum Lease Payments	\$45,536

**16. JOINTLY GOVERNED ORGANIZATIONS**

**Metropolitan Educational Council**

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

**Fairfield County Council for Educational Collaboration**

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

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

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

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

**16. JOINTLY GOVERNED ORGANIZATIONS (Continued)**

**Fairfield County Council for Educational Collaboration (Continued)**

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

**South Central Ohio Insurance Consortium**

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

**Central Ohio Special Education Regional Resource Center**

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

**17. INSURANCE PURCHASING POOL**

**Ohio School Boards Association Worker's Compensation Group Rating Plan**

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

**18. CONTINGENCIES**

**Grants**

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2000.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

**18. CONTINGENCIES (Continued)**

**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, 2000.

**19. SEGMENT INFORMATION FOR ENTERPRISE FUND**

The District maintains one Enterprise Fund to account for operations of food service sales. The table below reflects in a summarized format the more significant financial data relating to the Enterprise Fund as of and for the fiscal year ended June 30, 2000.

	<u>Food Service</u>
Operating Revenue	\$235,234
Operating Expenses Less Depreciation	309,728
Depreciation Expense	3,676
Operating Income (Loss)	(78,170)
Donated Commodities	32,005
Operating Grants	34,147
Loss on Disposal of Fixed Assets	(829)
Net Income (Loss)	(11,464)
Net Working Capital	7,926
Total Assets	90,645
Total Liabilities	47,045
Total Equity	43,600

As of June 30, 2000, the District had no reserve for encumbrances in the Enterprise Fund.

**20. INCOME TAX**

The District levies a voted tax of 0.75 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 1998, and is a continuing tax. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax revenue of \$1,290,520 was credited to the General Fund during fiscal year 2000.

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

**21. SCHOOL FUNDING DECISION**

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the District. During the fiscal year ended June 30, 2000, the District received \$3,344,681 of school foundation support for the General Fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws, and in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997 decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly..." including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

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

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

**22. STATUTORY RESERVES**

The District is required by state law to set aside certain General Fund revenue amounts into various reserves. During the fiscal year ended June 30, 2000, the reserve activity was as follows:

	Textbooks	Capital Improvement	Budget Stabilization	Total
Set-Aside Balance as of July 1, 1999	\$13,502	\$0	\$102,246	\$115,748
Current Year Set-Aside Requirement	204,026	204,026	68,009	476,061
Qualifying Disbursements	(109,269)	(303,680)	0	(412,949)
Total	108,259	(99,654)	170,255	178,860
Set-Aside Balance as of June 30, 2000	<u>\$108,259</u>	<u>\$0</u>	<u>\$170,255</u>	
Total Restricted Assets				<u>\$278,514</u>

**BLOOM CARROLL LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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

**22. STATUTORY RESERVES (Continued)**

Although the District may have qualifying disbursements during the year that exceed the current year set-aside requirements in both the textbook and capital improvement reserve accounts, only the excess disbursements in the textbook reserve account can be carried forward to offset future years' textbook set-aside requirements. Actual cash balances in the textbook reserve account that exceed the required set-asides may also be carried forward to offset future years' textbook set-aside requirements. Each reserve must be represented by restricted cash at year-end and carried forward to be used for the same purposes in future years.

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

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

We have audited the general-purpose financial statements of the Bloom Carroll Local School District, Fairfield County, Ohio (the District) as of and for the year ended June 30, 2000, and have issued our report thereon dated February 12, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

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

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated February 12, 2001.

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

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

**JIM PETRO**  
Auditor of State

February 12, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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Facsimile 614-466-4490

**BLOOM CARROLL LOCAL SCHOOL DISTRICT**

**FAIRFIELD COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MARCH 6, 2001**