



**BOARDMAN LOCAL SCHOOL DISTRICT  
MAHONING COUNTY**

**SINGLE AUDIT**

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



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

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**STATE OF OHIO**



**BOARDMAN LOCAL SCHOOL DISTRICT  
MAHONING COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Board of Education  
Boardman Local School District  
Mahoning County  
7410 Market Street  
Youngstown, Ohio 44512

To the Board of Education:

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

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Boardman Local School District, Mahoning County, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund type and nonexpendable trust fund 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 9, 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.

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

**Jim Petro**  
Auditor of State

February 9, 2001

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**BOARDMAN LOCAL SCHOOL DISTRICT, MAHONING COUNTY**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**JUNE 30, 2000**

	<i>Governmental</i>			
	<i>Fund Types</i>			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
<u>Assets and Other Debits:</u>				
Assets:				
Cash and Cash Equivalents	\$7,677,463	\$918,277	\$103,103	\$1,416,941
Receivables (net of allowance for doubtful accounts):				
Taxes	25,025,346	0	60,469	884,422
Accounts	27,399	500	0	0
Intergovernmental	3,900	0	0	0
Interest	1,423	2,215	0	3,317
Interfund Loan Receivables	79,934	0	0	0
Inventory of Supplies at Cost	97,454	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	835,931	0	0	0
Fixed Assets (net of accumulated depreciation)	0	0	0	0
Construction in Progress	0	0	0	0
Other Debits:				
Amount Available in Debt Service Fund	0	0	0	0
Amount to be Provided for General Long-Term Obligations	0	0	0	0
Total Assets and Other Debits	<u>\$33,748,850</u>	<u>\$920,992</u>	<u>\$163,572</u>	<u>\$2,304,680</u>
<u>Liabilities, Equity and Other Credits:</u>				
Liabilities:				
Accounts Payable	\$293,780	\$38,646	\$0	\$59,613
Accrued Wages and Benefits	3,531,081	59,019	0	0
Interfund Loan Payables	0	33,903	0	0
Intergovernmental Payables	554,678	11,626	0	0
Due to Students/Others	0	0	0	0
Deferred Revenue	0	0	0	0
Deferred Revenue - Taxes	25,025,346	0	60,469	884,422
General Obligation Bonds Payable	0	0	0	0
Capital Leases Payable	0	0	0	0
Compensated Absences Payable	438	361,070	0	0
Total Liabilities	<u>29,405,323</u>	<u>504,264</u>	<u>60,469</u>	<u>944,035</u>
Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balances:				
Reserved for Encumbrances	537,084	123,627	0	1,086,906
Reserved for Budget Stabilization	835,931	0	0	0
Reserved for Supplies Inventory	97,454	0	0	0
Reserved for Endowments	0	0	0	0
Reserved for Debt Service	0	0	103,103	0
Unreserved:				
Undesignated	2,873,058	293,101	0	273,739
Total Equity and Other Credits	<u>4,343,527</u>	<u>416,728</u>	<u>103,103</u>	<u>1,360,645</u>
Total Liabilities, Equity and Other Credits	<u>\$33,748,850</u>	<u>\$920,992</u>	<u>\$163,572</u>	<u>\$2,304,680</u>

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



**BOARDMAN LOCAL SCHOOL DISTRICT, MAHONING COUNTY**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**JUNE 30, 2000**

<i>Proprietary</i> <u>Fund Type</u>	<i>Fiduciary</i> <u>Fund Types</u>	<i>Account</i> <u>Groups</u>		Totals (Memorandum Only)
Enterprise Funds	Trust and Agency Funds	General Fixed Assets	General Long-Term Obligations	
\$65,206	\$141,648	\$0	\$0	\$10,322,638
0	0	0	0	25,970,237
288	68	0	0	28,255
37,957	0	0	0	41,857
0	349	0	0	7,304
0	0	0	0	79,934
23,953	0	0	0	121,407
0	0	0	0	835,931
89,560	0	26,518,226	0	26,607,786
0	0	3,171,528	0	3,171,528
0	0	0	103,103	103,103
0	0	0	6,484,604	6,484,604
<u>\$216,964</u>	<u>\$142,065</u>	<u>\$29,689,754</u>	<u>\$6,587,707</u>	<u>\$73,774,584</u>
\$1,490	\$480	\$0	\$0	\$394,009
76,556	0	0	0	3,666,656
46,031	0	0	0	79,934
88,926	0	0	271,979	927,209
0	97,846	0	0	97,846
10,504	0	0	0	10,504
0	0	0	0	25,970,237
0	0	0	115,000	115,000
0	0	0	2,896,986	2,896,986
33,366	0	0	3,303,742	3,698,616
<u>256,873</u>	<u>98,326</u>	<u>0</u>	<u>6,587,707</u>	<u>37,856,997</u>
0	0	29,689,754	0	29,689,754
150,371	0	0	0	150,371
(190,280)	0	0	0	(190,280)
0	0	0	0	1,747,617
0	0	0	0	835,931
0	0	0	0	97,454
0	22,303	0	0	22,303
0	0	0	0	103,103
0	21,436	0	0	3,461,334
(39,909)	43,739	29,689,754	0	35,917,587
<u>\$216,964</u>	<u>\$142,065</u>	<u>\$29,689,754</u>	<u>\$6,587,707</u>	<u>\$73,774,584</u>

**BOARDMAN LOCAL SCHOOL DISTRICT, MAHONING COUNTY**  
**COMBINED STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	<i>Governmental</i>			<i>Fiduciary</i>		Totals (Memorandum Only)
	<i>Fund Types</i>			<i>Fund Type</i>		
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Expendable Trust Fund	
<b>Revenues:</b>						
<b>Local Sources:</b>						
Taxes	\$22,410,406	\$0	\$130,570	\$801,483	\$0	\$23,342,459
Tuition	131,370	0	0	0	0	131,370
Transportation Fees	32,268	0	0	0	0	32,268
Investment Earnings	527,840	8,740	0	90,928	0	627,508
Extracurricular Activities	0	335,626	0	0	191	335,817
Class Material and Fees	90,537	0	0	0	0	90,537
Intermediate Sources	11,637	28,196	0	75,305	0	115,138
Intergovernmental - State	9,355,669	534,423	0	96,777	0	9,986,869
Intergovernmental - Federal	0	619,691	0	0	0	619,691
All Other Revenues	92,209	175,071	0	0	6,190	273,470
<b>Total Revenues</b>	<b>32,651,936</b>	<b>1,701,747</b>	<b>130,570</b>	<b>1,064,493</b>	<b>6,381</b>	<b>35,555,127</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Instruction	17,970,191	1,021,133	0	0	1,300	18,992,624
<b>Supporting Services:</b>						
Pupils	1,502,017	107,602	0	0	0	1,609,619
Instructional Staff	2,059,544	186,519	0	123,657	0	2,369,720
Board of Education	92,640	0	0	0	0	92,640
Administration	1,768,829	181,768	0	0	0	1,950,597
Fiscal Services	726,253	14,739	0	13,973	0	754,965
Business	135,546	0	0	0	0	135,546
Operation and Maintenance of Plant	3,343,161	4,411	0	0	0	3,347,572
Pupil Transportation	2,233,648	1,435	0	0	0	2,235,083
Central	11,248	10,853	0	0	0	22,101
Community Services	7,660	632,270	0	0	100	640,030
Extracurricular Activities	561,118	284,858	0	0	0	845,976
Capital Outlay	74,835	0	0	3,608,800	8,250	3,691,885
<b>Debt Service:</b>						
Principal Retirement	0	0	120,000	0	0	120,000
Interest and Fiscal Charges	0	0	10,570	0	0	10,570
<b>Total Expenditures</b>	<b>30,486,690</b>	<b>2,445,588</b>	<b>130,570</b>	<b>3,746,430</b>	<b>9,650</b>	<b>36,818,928</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,165,246	(743,841)	0	(2,681,937)	(3,269)	(1,263,801)
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Fixed Assets	284	0	0	0	0	284
Refunds of Prior Years' Expenditures	47,947	0	0	0	0	47,947
Operating Transfers In	0	152,000	0	0	0	152,000
Operating Transfers Out	(162,939)	0	0	0	0	(162,939)
Other Financing Sources - Capital Lease	0	0	0	3,000,000	0	3,000,000
<b>Total Other Financing Sources (Uses)</b>	<b>(114,708)</b>	<b>152,000</b>	<b>0</b>	<b>3,000,000</b>	<b>0</b>	<b>3,037,292</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,050,538	(591,841)	0	318,063	(3,269)	1,773,491
Restated Fund Balance Beginning of Year	2,274,788	1,008,569	103,103	1,042,582	23,154	4,452,196
Increase in Inventory Reserve	18,201	0	0	0	0	18,201
<b>Fund Balance End of Year</b>	<b>\$4,343,527</b>	<b>\$416,728</b>	<b>\$103,103</b>	<b>\$1,360,645</b>	<b>\$19,885</b>	<b>\$6,243,888</b>

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

**BOARDMAN LOCAL SCHOOL DISTRICT, MAHONING COUNTY**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**ALL GOVERNMENTAL FUND TYPES**  
**FISCAL YEAR ENDED JUNE 30, 2000**

	<u>General Fund</u>			<u>Special Revenue Funds</u>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>						
Local Sources:						
Taxes	\$22,408,218	\$22,414,946	\$6,728	\$0	\$0	\$0
Tuition	130,000	131,370	1,370	0	0	0
Transportation Fees	22,000	23,419	1,419	0	0	0
Investment Earnings	455,000	527,686	72,686	6,525	6,525	0
Extracurricular Activities	0	0	0	335,626	335,626	0
Class Material and Fees	79,500	90,220	10,720	0	0	0
Intermediate Sources	45,000	5,288	(39,712)	29,959	29,959	0
Intergovernmental - State	9,502,534	9,354,019	(148,515)	534,423	534,423	0
Intergovernmental - Federal	0	0	0	643,115	630,315	(12,800)
All Other Revenues	79,871	84,188	4,317	205,604	184,615	(20,989)
Total Revenues	<u>32,722,123</u>	<u>32,631,136</u>	<u>(90,987)</u>	<u>1,755,252</u>	<u>1,721,463</u>	<u>(33,789)</u>
<b>Expenditures:</b>						
Current:						
Instruction	18,196,685	18,004,801	191,884	1,352,653	997,072	355,581
Supporting Services:						
Pupils	1,389,305	1,486,647	(97,342)	113,680	95,673	18,007
Instructional Staff	2,107,576	2,081,523	26,053	193,729	186,562	7,167
Board of Education	96,438	97,565	(1,127)	0	0	0
Administration	1,799,181	1,774,100	25,081	201,795	187,099	14,696
Fiscal Services	758,742	732,240	26,502	14,660	14,660	0
Business	135,520	135,948	(428)	0	0	0
Operation and Maintenance of Plant	3,509,355	3,465,822	43,533	4,993	3,493	1,500
Pupil Transportation	2,538,059	2,522,606	15,453	4,053	1,430	2,623
Central	10,000	11,248	(1,248)	17,087	11,198	5,889
Community Services	7,096	7,665	(569)	748,578	731,906	16,672
Extracurricular Activities	564,371	559,329	5,042	331,033	294,107	36,926
Other Expenditures	0	0	0	0	0	0
Capital Outlay	110,710	102,211	8,499	1,500	0	1,500
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
Total Expenditures	<u>31,223,038</u>	<u>30,981,705</u>	<u>241,333</u>	<u>2,983,761</u>	<u>2,523,200</u>	<u>460,561</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,499,085	1,649,431	150,346	(1,228,509)	(801,737)	426,772
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Fixed Assets	0	0	0	0	0	0
Refunds of Prior Years' Expenditures	0	47,947	47,947	0	0	0
Operating Transfers In	0	0	0	152,000	152,000	0
Operating Transfers Out	(575,000)	(162,939)	412,061	0	0	0
Advances In	0	107,163	107,163	0	33,903	33,903
Advances Out	(200,000)	(48,940)	151,060	0	(75,680)	(75,680)
Other Financing Sources - Capital Lease	0	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>(775,000)</u>	<u>(56,769)</u>	<u>718,231</u>	<u>152,000</u>	<u>110,223</u>	<u>(41,777)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	724,085	1,592,662	868,577	(1,076,509)	(691,514)	384,995
Fund Balance at Beginning of Year	5,557,275	5,557,275	0	1,264,610	1,264,610	0
Prior Year Encumbrances	619,532	619,532	0	186,885	186,885	0
Fund Balance at End of Year	<u>\$6,900,892</u>	<u>\$7,769,469</u>	<u>\$868,577</u>	<u>\$374,986</u>	<u>\$759,981</u>	<u>\$384,995</u>

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

(Continued)

**BOARDMAN LOCAL SCHOOL DISTRICT, MAHONING COUNTY**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**ALL GOVERNMENTAL FUND TYPES**  
**FISCAL YEAR ENDED JUNE 30, 2000**

	<i>Debt Service Fund</i>			<i>Capital Projects Funds</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>						
Local Sources:						
Taxes	\$130,570	\$130,570	\$0	\$812,296	\$801,637	(\$10,659)
Tuition	0	0	0	0	0	0
Transportation Fees	0	0	0	0	0	0
Investment Earnings	0	0	0	77,485	87,611	10,126
Extracurricular Activities	0	0	0	0	0	0
Class Material and Fees	0	0	0	0	0	0
Intermediate Sources	0	0	0	75,305	75,305	0
Intergovernmental - State	0	0	0	96,244	96,777	533
Intergovernmental - Federal	0	0	0	0	0	0
All Other Revenues	0	0	0	0	0	0
Total Revenues	130,570	130,570	0	1,061,330	1,061,330	0
<b>Expenditures:</b>						
Current:						
Instruction	0	0	0	0	0	0
Supporting Services:						
Pupils	0	0	0	0	0	0
Instructional Staff	0	0	0	173,206	140,086	33,120
Board of Education	0	0	0	0	0	0
Administration	0	0	0	0	0	0
Fiscal Services	0	0	0	14,500	13,973	527
Business	0	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	0	0
Pupil Transportation	0	0	0	0	0	0
Central	0	0	0	0	0	0
Community Services	0	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0	0
Other Expenditures	0	0	0	0	0	0
Capital Outlay	0	0	0	4,837,574	4,679,290	158,284
Debt Service:						
Principal Retirement	120,000	120,000	0	0	0	0
Interest and Fiscal Charges	11,956	10,570	1,386	0	0	0
Total Expenditures	131,956	130,570	1,386	5,025,280	4,833,349	191,931
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,386)	0	1,386	(3,963,950)	(3,772,019)	191,931
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Fixed Assets	0	0	0	0	0	0
Refunds of Prior Years' Expenditures	0	0	0	0	0	0
Operating Transfers In	0	0	0	0	0	0
Operating Transfers Out	(101,717)	0	101,717	0	0	0
Advances In	0	0	0	0	0	0
Advances Out	0	0	0	0	0	0
Other Financing Sources - Capital Lease	0	0	0	3,000,000	3,000,000	0
Total Other Financing Sources (Uses)	(101,717)	0	101,717	3,000,000	3,000,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(103,103)	0	103,103	(963,950)	(772,019)	191,931
Fund Balance at Beginning of Year	103,103	103,103	0	962,870	962,870	0
Prior Year Encumbrances	0	0	0	79,571	79,571	0
Fund Balance at End of Year	\$0	\$103,103	\$103,103	\$78,491	\$270,422	\$191,931

(Continued)

**BOARDMAN LOCAL SCHOOL DISTRICT, MAHONING COUNTY**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**ALL GOVERNMENTAL FUND TYPES**  
**FISCAL YEAR ENDED JUNE 30, 2000**

<i>Totals (Memorandum Only)</i>			
	Revised		Variance:
	Budget	Actual	Favorable (Unfavorable)
<b>Revenues:</b>			
Local Sources:			
Taxes	\$23,351,084	\$23,347,153	(\$3,931)
Tuition	130,000	131,370	1,370
Transportation Fees	22,000	23,419	1,419
Investment Earnings	539,010	621,822	82,812
Extracurricular Activities	335,626	335,626	0
Class Material and Fees	79,500	90,220	10,720
Intermediate Sources	150,264	110,552	(39,712)
Intergovernmental - State	10,133,201	9,985,219	(147,982)
Intergovernmental - Federal	643,115	630,315	(12,800)
All Other Revenues	285,475	268,803	(16,672)
Total Revenues	<u>35,669,275</u>	<u>35,544,499</u>	<u>(124,776)</u>
<b>Expenditures:</b>			
Current:			
Instruction	19,549,338	19,001,873	547,465
Supporting Services:			
Pupils	1,502,985	1,582,320	(79,335)
Instructional Staff	2,474,511	2,408,171	66,340
Board of Education	96,438	97,565	(1,127)
Administration	2,000,976	1,961,199	39,777
Fiscal Services	787,902	760,873	27,029
Business	135,520	135,948	(428)
Operation and Maintenance of Plant	3,514,348	3,469,315	45,033
Pupil Transportation	2,542,112	2,524,036	18,076
Central	27,087	22,446	4,641
Community Services	755,674	739,571	16,103
Extracurricular Activities	895,404	853,436	41,968
Other Expenditures	0	0	0
Capital Outlay	4,949,784	4,781,501	168,283
Debt Service:			
Principal Retirement	120,000	120,000	0
Interest and Fiscal Charges	11,956	10,570	1,386
Total Expenditures	<u>39,364,035</u>	<u>38,468,824</u>	<u>895,211</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,694,760)	(2,924,325)	770,435
<b>Other Financing Sources (Uses):</b>			
Proceeds from Sale of Fixed Assets	0	0	0
Refunds of Prior Years' Expenditures	0	47,947	47,947
Operating Transfers In	152,000	152,000	0
Operating Transfers Out	(676,717)	(162,939)	513,778
Advances In	0	141,066	141,066
Advances Out	(200,000)	(124,620)	75,380
Other Financing Sources - Capital Lease	3,000,000	3,000,000	0
Total Other Financing Sources (Uses)	<u>2,275,283</u>	<u>3,053,454</u>	<u>778,171</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,419,477)	129,129	1,548,606
Fund Balance at Beginning of Year	7,887,858	7,887,858	0
Prior Year Encumbrances	885,988	885,988	0
Fund Balance at End of Year	<u>\$7,354,369</u>	<u>\$8,902,975</u>	<u>\$1,548,606</u>

**BOARDMAN LOCAL SCHOOL DISTRICT, MAHONING COUNTY**  
**COMBINED STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN RETAINED EARNINGS/FUND BALANCE**  
**PROPRIETARY FUND TYPE AND SIMILAR TRUST FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	<u>Proprietary</u> <u>Fund Type</u>	<u>Fiduciary</u> <u>Fund Type</u>	Totals (Memorandum Only)
	Enterprise Funds	Nonexpendable Trust Fund	
<u>Operating Revenues:</u>			
Tuition and Fees	\$183,191	\$0	\$183,191
Sales	713,865	0	713,865
Investment Earnings	0	19,701	19,701
Total Operating Revenues	<u>897,056</u>	<u>19,701</u>	<u>916,757</u>
<u>Operating Expenses:</u>			
Salaries and Wages	483,648	0	483,648
Fringe Benefits	223,305	0	223,305
Contractual Services	8,382	0	8,382
Materials and Supplies	466,028	0	466,028
Depreciation	10,047	0	10,047
Other Operating Expenses	3,546	18,150	21,696
Total Operating Expenses	<u>1,194,956</u>	<u>18,150</u>	<u>1,213,106</u>
Operating Income (Loss)	(297,900)	1,551	(296,349)
<u>Non-Operating Revenues:</u>			
Operating Grants	238,361	0	238,361
Federally Donated Commodities	58,302	0	58,302
Total Non-Operating Revenues	<u>296,663</u>	<u>0</u>	<u>296,663</u>
Income (Loss) Before Operating Transfers	(1,237)	1,551	314
<u>Operating Transfers:</u>			
Operating Transfers In	10,939	0	10,939
Total Operating Transfers	<u>10,939</u>	<u>0</u>	<u>10,939</u>
Net Income	9,702	1,551	11,253
(Accumulated Deficit) Fund Balance at Beginning of Year	<u>(199,982)</u>	<u>22,303</u>	<u>(177,679)</u>
(Accumulated Deficit) Fund Balance at End of Year	<u>(\$190,280)</u>	<u>\$23,854</u>	<u>(\$166,426)</u>

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

**BOARDMAN LOCAL SCHOOL DISTRICT, MAHONING COUNTY**  
**COMBINED STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	<u>Proprietary</u> <u>Fund Type</u>	<u>Fiduciary</u> <u>Fund Type</u>	Totals
	Enterprise Funds	Nonexpendable Trust Fund	(Memorandum Only)
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$714,830	\$0	\$714,830
Cash Received from Tuition and Fee Payments	184,655	0	184,655
Cash Payments for Goods and Services	(424,141)	(18,150)	(442,291)
Cash Payments to Employees for Services and Benefits	(702,039)	0	(702,039)
Net Cash Used by Operating Activities	<u>(226,695)</u>	<u>(18,150)</u>	<u>(244,845)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers Out to Other Funds	(5,507)	0	(5,507)
Operating Grants Received	233,159	0	233,159
Net Cash Provided by Noncapital Financing Activities	<u>227,652</u>	<u>0</u>	<u>227,652</u>
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	0	19,701	19,701
Net Cash Provided by Investing Activities	<u>0</u>	<u>19,701</u>	<u>19,701</u>
Net Increase in Cash and Cash Equivalents	957	1,551	2,508
Cash and Cash Equivalents at Beginning of Year	64,249	22,303	86,552
Cash and Cash Equivalents at End of Year	<u>\$65,206</u>	<u>\$23,854</u>	<u>\$89,060</u>
Reconciliation of Cash and Cash Equivalents per Balance Sheet			
Cash and Cash Equivalents	\$65,206	\$141,648	\$206,854
Less: Cash and Cash Equivalents in Expendable Trust Fund	0	(19,885)	(19,885)
Less: Cash and Cash Equivalents in Agency Funds	0	(97,909)	(97,909)
Cash and Cash Equivalents at End of Year	<u>\$65,206</u>	<u>\$23,854</u>	<u>\$89,060</u>

(Continued)

**BOARDMAN LOCAL SCHOOL DISTRICT, MAHONING COUNTY**  
**COMBINED STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	<u>Proprietary</u> <u>Fund Type</u>	<u>Fiduciary</u> <u>Fund Type</u>	Totals
	Enterprise Funds	Nonexpendable Trust Fund	(Memorandum Only)
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Used by Operating Activities:</u>			
Operating Income (Loss)	(\$297,900)	\$1,551	(\$296,349)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities:			
Depreciation Expense	10,047	0	10,047
Donated Commodities Used During the Year	58,302	0	58,302
Receipt of Interest	0	(19,701)	(19,701)
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable	1,089	0	1,089
Increase in Inventory	(6,042)	0	(6,042)
Increase in Accounts Payable	1,470	0	1,470
Increase in Accrued Wages and Benefits	2,202	0	2,202
Decrease in Intergovernmental Payables	(7,182)	0	(7,182)
Increase in Deferred Revenue	1,425	0	1,425
Increase in Compensated Absences	9,894	0	9,894
Total Adjustments	<u>71,205</u>	<u>(19,701)</u>	<u>51,504</u>
Net Cash Used by Operating Activities	<u>(\$226,695)</u>	<u>(\$18,150)</u>	<u>(\$244,845)</u>

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



**BOARDMAN LOCAL SCHOOL DISTRICT, MAHONING COUNTY**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 2000**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Boardman Local School District, Ohio (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 serves an area of approximately 25 square miles in Mahoning County.

The District is governed by a locally elected five member Board of Education (the Board) which provides educational services. The Board controls the District's instructional support facilities staffed by approximately 259 noncertified and 311 certified teaching personnel and administrative employees providing education to 4,699 students.

The accompanying general purpose financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," in that the financial statements include all organizations, activities, functions and component units for which the District (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either the District's ability to impose its will over the organization or the possibility that the organization will provide a financial benefit to, or impose a financial burden on the District. Based on these considerations, the Boardman School Building Corporation (blended component unit) has been included in the District's financial reporting entity. The District is a member of the Area Cooperative Computerized Educational Service System (ACCESS), a jointly governed organization which provides computer service to twenty-two (22) school districts, two county educational service centers and one community school. Based on the foregoing, the reporting entity of the District includes the following services: instructional (regular, special education, vocational), student guidance, extracurricular activities, food service, pupil transportation and care and upkeep of grounds and buildings.

**Boardman School Building Corporation**

The Boardman School Building Corporation is considered a component unit of the District by virtue of meeting the criteria noted above. The corporation is a nonprofit organization with the specific purpose of purchasing, leasing or otherwise acquiring real estate and to construct thereon any and all public improvements, within the boundaries of the Boardman Local School District.

The accounting policies and financial reporting practices of the District conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of its significant accounting policies.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting**

The accounting system is organized and operated on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are summarized by type in the general purpose financial statements.

The following fund types and account groups are used by the District:

***Governmental Funds*** - These are funds through which most governmental functions typically are financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the District's governmental fund types:

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

**Special Revenue Funds** - 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 for the accumulation of resources for the payment of general long-term debt principal and interest.

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

***Proprietary Funds*** - The proprietary funds are accounted for on a "economic resources" measurement focus. This measurement focus provides that all assets and all liabilities associated with the operation of the proprietary funds are included on the balance sheet. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in retained earnings (net total assets).

**Enterprise Funds** - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises in which the intent of the governing body 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.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting (Continued)**

*Fiduciary Funds*

Trust and Agency Funds - These funds are used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The District maintains an expendable trust fund, a non-expendable trust and two agency funds. The expendable trust fund is accounted for and reported similarly to a governmental fund, the non-expendable trust fund is accounted for similarly to a proprietary fund. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

General Fixed Assets Account Group - This account group is established to account for 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 debt and other long-term liabilities of the District except those accounted for in the proprietary funds.

**C. Basis of Accounting**

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds and expendable trust and agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the District is considered to be 60 days after fiscal year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Revenue considered susceptible to accrual at year end includes property taxes, tuition, grants and entitlements, student fees, and interest on investments.

Current property taxes measurable at June 30, 2000, and which are not intended to finance fiscal 2000 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) are recognized as revenue at year end.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds. Revenues are recognized when they are earned and expenses are recognized when incurred.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Accounting (Continued)**

Pursuant to GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting," the District follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

**D. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year.

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

**1. Tax Budget**

By January 15, the Superintendent and Treasurer submit an annual operating budget for the following fiscal year to the Board of Education for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by January 20 of each year for the period July 1 to June 30 of the following fiscal year.

**2. Estimated Resources**

Prior to March 15, the Board accepts by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year 2000.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgetary Process (Continued)**

**3. Appropriations**

A temporary appropriation measure to control expenditures may be passed on or about July 1 of each year for the period July 1 through September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 through June 30. The appropriation resolution establishes spending controls at the fund, department and object level. The appropriation resolution may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year with approval of the Board. During the year, several supplemental appropriations were necessary to budget the use of contingency funds. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual-All Governmental Fund Types" are provided on the budgetary basis to facilitate a comparison of actual results to the final budget, including all amendments and modifications.

**4. Encumbrances**

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported as reservations of fund balances for governmental funds in the accompanying general purpose financial statements.

**5. Lapsing of Appropriations**

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

**6. Budgetary Basis of Accounting**

The District's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. Encumbrances are recorded as the equivalent of expenditures (budgetary basis) as opposed to reservations of fund balance (GAAP basis).

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgetary Process (Continued)**

6. Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the governmental funds:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses		
	General Fund	Special Revenue Funds	Capital Projects Funds
GAAP Basis (as reported)	\$2,050,538	(\$591,841)	\$318,063
Increase (Decrease):			
Accrued Revenues at June 30, 2000, received during FY 2001	(32,722)	(2,715)	(3,317)
Accrued Revenues at June 30, 1999, received during FY 2000	11,638	20,668	154
Accrued Expenditures at June 30, 2000, paid during FY 2001	4,438,200	428,584	59,613
Accrued Expenditures at June 30, 1999, paid during FY 2000	(4,131,067)	(387,914)	(13)
Encumbrances Outstanding at June 30, 2000	(743,925)	(158,296)	(1,146,519)
Budget Basis	<u>\$1,592,662</u>	<u>(\$691,514)</u>	<u>(\$772,019)</u>

**E. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits and investments with original maturities of less than three months.

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 4, "Cash, Cash Equivalents and Investments."

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," the District records all its investments at fair value except for nonparticipating investment contracts (repurchase agreements) which are reported at cost. See Note 4, "Cash, Cash Equivalents and Investments."

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

**G. Inventory**

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the proprietary funds when used.

**H. Fixed Assets and Depreciation**

The accounting and reporting treatment applied to fixed assets is determined by their ultimate use:

1. Property, Plant and Equipment - General Governmental Purposes

Fixed assets acquired or constructed for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years) in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received. The District does not possess any infrastructure.

General fixed asset values were initially determined at June 30, 1995 by appraisal utilizing the services of Industrial Appraisal Associates. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain fixed assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

The District has elected not to record depreciation in the General Fixed Assets Account Group.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Fixed Assets and Depreciation** (Continued)

2. Property, Plant and Equipment - Proprietary Fund

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed fixed assets are recorded at fair market value at the date received.

Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Estimated Lives (in years)
Furniture and Equipment	5-20

**I. Long-Term Obligations**

Long-term liabilities are being repaid from the following funds:

Obligation	Fund
General Obligation Bonds	General Obligation Bond Retirement Fund
Capital Lease	General Fund, Permanent Improvement Fund
Compensated Absences	General Fund, Food Service Fund, Termination Fund

**J. Compensated Absences**

In accordance with GASB Statement No. 16, “*Accounting for Compensated Absences*,” vacation benefits are accrued as a liability when an employee’s right to receive compensation is attributable to services already rendered, and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Administrators and classified staff who work twelve month contracts are granted vacation leave based on length of service and position. Sick leave benefits are accrued as a liability using the vesting method. The liability for sick leave payments is based upon the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive payment for sick leave upon termination, as well as certified and administrative employees with eight (8) years of service. Classified employees with twenty (20) years of service at any age, or 15 years of service and at least forty-five (45) years of age, or with five (5) years of service and at least fifty (50) years of age. Employees may earn 15 days of sick leave per year. Upon retirement, employees will receive one-fourth of the accumulated sick leave up to a maximum of 55 days. For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account “Compensated Absences Payable.” The long-term portion of the liability is reported in the General Long-Term Obligations Account Group. Compensated absences are expensed in the proprietary funds when earned and the related liability is reported within the fund.



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Pensions**

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred.

**L. Interfund Transactions**

During the course of normal operations, the District has numerous transactions between funds. Interfund transactions are generally classified as follows:

- Operating transfers are reported as “Other Financing Sources and Uses” in the governmental funds, as “Operating Transfers In” by the recipient fund, and “Operating Transfers Out” by the disbursing fund.
- Short-term interfund loans are reflected as interfund loans payable/receivable, while long-term interfund loans (greater than one year in length) are recorded as advances to/from other funds.
- Residual Equity Transfers are nonroutine or nonrecurring transfers between funds and are reported as additions to or deductions from the fund equity balance.

Transactions that would be treated as revenues and expenditures/expenses if they involved organizations external to the District are similarly treated when involving other funds of the District.

**M. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. A Fund balance reserve has also been established for this amount.

**N. Reservations of Fund Balance**

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for debt service, endowments, budget stabilization, supplies inventory and encumbered amounts which have not been accrued at year end. The reserve for budget stabilization is required by State statute.

**O. Contributed Capital**

Proprietary fund type contributed capital is recorded at fair market value of the related assets at the date received. Depreciation on contributed fixed assets resulting from grants, entitlements and shared revenues is recorded as an operating expense and closed along with other operating expenses directly to retained earnings.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**P. Total Columns on Combined Financial Statements - Overview**

Total columns on the “Combined Financial Statements-Overview” are captioned “Memorandum Only” to indicate they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**NOTE 2 – PRIOR PERIOD ADJUSTMENT**

The beginning fund balances of the Telecommunications Fund (special revenue) and the Computer Technology Fund (capital projects) have been restated to correct an accounting error in the reporting of revenue from federal sources. This error required an adjustment to the July 1, 1999 fund balance as follows:

<u>Special Revenue Funds</u>	
Balance at June 30, 1999 (as reported)	\$989,353
Adjustment to Federal Revenues	<u>19,216</u>
Restated Balance at July 1, 1999	<u><u>\$1,008,569</u></u>
<u>Capital Projects Funds</u>	
Balance at June 30, 1999 (as reported)	\$1,061,798
Adjustment to Federal Revenues	<u>(19,216)</u>
Restated Balance at July 1, 1999	<u><u>\$1,042,582</u></u>

**NOTE 3 - COMPLIANCE AND ACCOUNTABILITY**

**Fund Deficits** - The fund deficits at June 30, 2000 of \$24 in the Teacher Development Fund, \$4,265 in the Chapter I Fund, \$2,987 in the Chapter II Fund, \$2,740 in the Drug Free School Grant Fund, and \$2,035 in the Federal Grants Fund (special revenue funds) arise from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. A deficit does not exist under the cash basis of accounting. The fund deficits at June 30, 2000 of \$185,198 in the Food Service Fund and \$27,171 in the Uniform School Supply Fund (enterprise funds) arise from the recognition of expenses on the accrual basis which are greater than expenses recognized on the cash basis. A deficit does not exist under the cash basis of accounting.

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments. In addition, investments are separately held by a number of individual funds.

Statutes require the classification of funds held by the District into three categories. Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “near cash” status for immediate use by the District. Such funds must be maintained either as cash in the District Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds - those funds not required for use within the current two year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds - those funds which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories.

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

- 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;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets 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, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the District places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 110% of the carrying value of all public collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements," collateral held in single financial institution collateral pools with securities being held by the pledging financial institutions' agent in the pool's name are classified as Category 3.

The Governmental Accounting Standards Board has established risk categories for deposits and investments as follows:

*Deposits:*

- Category 1 Insured or collateralized with securities held by the District or by its agent in the District's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent, in the District's name.
- Category 3 Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

*Investments:*

- Category 1 Insured or registered, or securities held by the District or its agent in the District's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the District's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the District's name.

**A. Deposits**

At year end the carrying amount of the District's deposits was an overdraft of \$12,150 and the bank balance was \$124,454. The Federal Deposit Insurance Corporation (FDIC) covered \$124,454 of the bank balance.

**B. Investments**

The District's investments at June 30, 2000 are summarized below:

	<u>Category 3</u>	<u>Fair Value</u>
<b>Categorized Investments</b>		
Repurchase Agreements	\$832,082	\$832,082
<b>Noncategorized Investments</b>		
STAR Ohio	N/A	10,338,637
Total Investments	<u>\$832,082</u>	<u>\$11,170,719</u>

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**C. Reconciliation of Cash, Cash Equivalents and Investments**

The classification of cash, cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. Certificates of deposit with an original maturity of three months or less are treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Combined Balance Sheet	\$11,158,569	\$0
Repurchase Agreements	(832,082)	832,082
STAR Ohio	<u>(10,338,637)</u>	<u>10,338,637</u>
Per GASB Statement No. 3	<u>(\$12,150)</u>	<u>\$11,170,719</u>

**NOTE 5 - TAXES**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the District. Real property taxes (other than public utility) collected during 2000 were levied after October 1, 1999 on assessed values as of January 1, 1999, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made the third year following reappraisal. The last revaluation was completed in 1999, a statistical update was completed in 1996. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually, the first payment is due April 30; with the remainder payable by September 20.

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County including Boardman Local School District. The County Auditor periodically remits to the District its portion of the taxes collected.

**NOTE 5 – TAXES (Continued)**

The assessed values for collection in 2000, upon which the 1999 levies were based, were as follows:

	1999 Second Half Collections	2000 First Half Collections
Agricultural/Residential and Other Real Estate	\$593,022,540	\$704,241,580
Public Utility Personal	39,403,580	36,695,010
Tangible Personal Property	88,329,210	89,157,200
Total Assessed Value	<u>\$720,755,330</u>	<u>\$830,093,790</u>
Tax rate per \$1,000 of assessed valuation	\$48.70	\$50.15

**NOTE 6 - RECEIVABLES**

Receivables at June 30, 2000 consisted of taxes, interest, interfund loans, intergovernmental, and accounts receivable.

**NOTE 7 - OPERATING TRANSFERS**

Following is a summary of operating transfers in and out for all funds at June 30, 2000:

Fund	Transfers In	Transfers Out
General Fund	\$0	\$162,939
Special Revenue Fund:		
Termination Fund	152,000	0
Enterprise Fund:		
Uniform School Supply Fund	10,939	0
Total All Funds	<u>\$162,939</u>	<u>\$162,939</u>

**NOTE 8 - INTERFUND BALANCES**

Individual interfund loan receivable and loan payable balances at June 30, 2000, are as follows:

	Interfund Loan Receivables	Interfund Loan Payables
General Fund	\$79,934	\$0
Special Revenue Funds:		
District Managed Student Activity Fund	0	21,103
Chapter II Fund	0	12,800
Total Special Revenue Funds	0	33,903
Enterprise Funds:		
Food Service Fund	0	15,037
Uniform School Supply Fund	0	30,994
Total Enterprise Funds	0	46,031
Totals	<u>\$79,934</u>	<u>\$79,934</u>

**NOTE 9 - FIXED ASSETS**

**A. General Fixed Assets**

Summary by category of changes in general fixed assets at June 30, 2000:

<u>Class</u>	<u>June 30, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2000</u>
Land/Improvements	\$354,699	\$0	\$0	\$354,699
Buildings	17,678,948	1,275,414	0	18,954,362
Furniture and Equipment	4,004,572	32,085	(17,429)	4,019,228
Vehicles/Other	3,019,497	295,540	(125,100)	3,189,937
Construction in Progress	0	3,171,528	0	3,171,528
Totals	<u>\$25,057,716</u>	<u>\$4,774,567</u>	<u>(\$142,529)</u>	<u>\$29,689,754</u>

**B. Proprietary Fixed Assets**

Summary by Category at June 30, 2000:

<u>Category</u>	<u>Historical Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Machinery and Equipment	\$373,826	(\$284,266)	\$89,560
Total Property, Plant and Equipment	<u>\$373,826</u>	<u>(\$284,266)</u>	<u>\$89,560</u>

**NOTE 10 - DEFINED BENEFIT PENSION PLANS**

All of the District's full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

**A. School Employees Retirement System of Ohio (SERS of Ohio)**

All non-certified employees of the District, with minor exceptions, performing duties that do not require a certificate issued by the Ohio Department of Education are eligible to participate in the School Employees Retirement System of Ohio, a cost-sharing multiple employer public employee retirement system.

The SERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and survivor benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. The SERS of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the SERS of Ohio. Interested parties may obtain a copy by making a written request to SERS, 45 North Fourth Street, Columbus, Ohio 43215-3634 or by calling (614) 222-5853.

**NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)**

**A. School Employees Retirement System of Ohio (SERS of Ohio) (Continued)**

The Ohio Revised Code provides statutory authority for District and employee contributions of 14% and 9% respectively. The contribution rates are determined actuarially, and are established and may be amended, up to statutory amounts, by the School Employees Retirement Board (Retirement Board) within the rates allowed by State statute. The required employer contribution rate is allocated to basic retirement benefits and health care by the Retirement Board. At June 30, 2000, 5.5% was allocated to fund the pension benefit and 8.5% to fund health care. The District's contributions to the SERS of Ohio for the years ending June 30, 2000, 1999, and 1998 were \$714,168, \$685,506, and \$659,760, respectively, which were equal to the required contributions for each year.

The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989 with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium. The portion of the 2000 employer contribution rate (identified above) that was used to fund health care for the year 2000 was 8.5%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between minimum pay and the member's pay, prorated for partial service credit. For fiscal year 2000, the minimum pay has been established as \$12,400. The amount contributed to fund health care benefits, including the surcharge amounted to \$534,239.

Health care benefits are financed on a pay-as-you-go basis. The number of retirees and covered dependents currently receiving benefits is approximately 51,000. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 1999 (the latest information available) were \$126,380,984 and the target level was \$189.6 million. Net assets available for payment of benefits at June 30, 1999 was \$188.0 million.

**B. State Teachers Retirement System of Ohio (STRS of Ohio)**

All certified employees of the District are eligible to participate in the State Teachers Retirement System of Ohio, a cost-sharing multiple employer public employee retirement system.

The STRS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and survivor benefits based on eligible service credit to plan members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. The STRS of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the STRS of Ohio. Interested parties may obtain a copy by making a written request to STRS, 275 East Broad Street, Columbus, Ohio 43215-3771 or by calling (614) 227-4090.

The Ohio Revised Code provides statutory authority for District and employee contributions of 14% and 9.3%, respectively. The contribution requirements of plan members and the District are established and may be amended by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. At June 30, 2000, 6% was allocated to fund the pension benefit and 8% to fund health care. The District's contributions to the STRS of Ohio for the years ending June 30, 2000, 1999, and 1998 were \$2,245,800, \$2,213,568, and \$2,182,632, respectively, which were equal to the required contributions for each year.



**NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)**

**B. State Teachers Retirement System of Ohio (STRS of Ohio) (Continued)**

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

Benefits are funded on a pay-as-you-go basis through an allocation of employer contributions, equal to 2% of covered payroll, to a Health Care Reserve Fund. However, for the fiscal year ended June 30, 2000, the board allocated employer contributions equal to 8% of covered payroll to the Health Care Reserve Fund, which amounted to \$1,283,314 for the District. The balance of the Health Care Reserve Fund was \$2.783 billion at June 30, 1999 (the latest information available). For the fiscal year ended June 30, 1999, the net health care costs paid by STRS were \$249,929,000. There were 95,796 eligible benefit recipients.

**NOTE 11 - COMPENSATED ABSENCES**

The District provides a liability for accumulated unpaid sick leave and vacation time benefits when earned by employees. Accrued employee benefits for governmental funds not currently due and payable at year end are recorded in the General Long-Term Obligations Account Group. At June 30, 2000, the total accumulated unpaid sick and vacation time recorded in the General Long-Term Obligations Account Group was:

	<u>Sick Leave</u>	<u>Vacation</u>	<u>Total</u>
Liability	\$3,025,815	\$277,927	\$3,303,742

The portion attributable to the enterprise funds has been recorded within the respective fund and is not included in the figures presented above.

**NOTE 12 - CAPITAL LEASE COMMITMENTS**

The District is obligated under capital leases for a copier and a new auditorium. The cost of the leased assets are accounted for in the General Fixed Assets Account Group and the related liability in the General Long-Term Obligations Account Group. The original cost of the assets under capital lease was \$3,028,686.

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2000:

<u>Year Ending June 30.</u>	<u>Capital Leases</u>
2001	\$280,669
2002	279,669
2003	279,669
2004	279,669
2005	279,669
2006-2010	1,398,346
2011-2015	<u>1,188,594</u>
Minimum Lease Payments	3,986,285
Less: Amount representing interest at the District's incremental borrowing rate of interest	<u>(1,089,299)</u>
Present Value of minimum lease payments	<u>\$2,896,986</u>

**NOTE 13 - GENERAL LONG-TERM DEBT AND OTHER GENERAL LONG-TERM OBLIGATIONS**

Detail of the changes in the bonds, capital lease payable, and compensated absences of the District for the year ended June 30, 2000 is as follows:

		<u>Balance</u> <u>June 30, 1999</u>	<u>Issued</u> <u>(Retired)</u>	<u>Balance</u> <u>June 30, 2000</u>
<b>General Long-Term Debt:</b>				
(General Obligation Bonds)				
School Improvement	6.25%	\$165,000	(\$50,000)	\$115,000
Computer Technology	5.15%	<u>70,000</u>	<u>(70,000)</u>	<u>0</u>
Total General Long-Term Debt		235,000	(120,000)	115,000
<b>Other General Long-Term Obligations:</b>				
Intergovernmental Payable		0	271,979	271,979
Capital Leases		7,404	3,000,000	
			(110,418)	2,896,986
Compensated Absences		<u>3,525,720</u>	<u>(221,978)</u>	<u>3,303,742</u>
Total Other General Long-Term Obligations		<u>3,533,124</u>	<u>2,939,583</u>	<u>6,472,707</u>
Total General Long-Term Debt and Other General Long-Term Obligations		<u>\$3,768,124</u>	<u>\$2,819,583</u>	<u>\$6,587,707</u>

**NOTE 13 - GENERAL LONG-TERM DEBT AND OTHER GENERAL LONG-TERM OBLIGATIONS (Continued)**

**A. Principal and Interest Requirements**

A summary of the District's future long-term debt funding requirements, including principal and interest payments as of June 30, 2000, follows:

Years	General Obligation Bonds		Capital Leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2001	\$55,000	\$5,469	\$147,666	\$133,003	\$202,666	\$138,472
2002	60,000	1,875	153,658	126,011	213,658	127,886
2003	0	0	160,977	118,692	160,977	118,692
2004	0	0	168,348	111,321	168,348	111,321
2005	0	0	176,661	103,008	176,661	103,008
2006-2010	0	0	1,017,606	380,740	1,017,606	380,740
2011-2015	0	0	1,072,070	116,524	1,072,070	116,524
Totals	<u>\$115,000</u>	<u>\$7,344</u>	<u>\$2,896,986</u>	<u>\$1,089,299</u>	<u>\$3,011,986</u>	<u>\$1,096,643</u>

**NOTE 14 – STATUTORY RESERVES**

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2000, the reserve activity (cash-basis) was as follows:

	Textbook Reserve	Capital Acquisition Reserve	Budget Stabilization Reserve	Total
Set-aside Cash Balance as of June 30, 1999	\$0	\$0	\$835,931	\$835,931
Current Year Set-Aside Requirement	793,429	793,429	0	1,586,858
Additional Set-Aside	0	0	0	0
Current Year Offset Credits	0	0	0	0
Qualifying Disbursements	<u>(793,429)</u>	<u>(793,429)</u>	<u>0</u>	<u>(1,586,858)</u>
Total	<u>\$0</u>	<u>\$0</u>	<u>\$835,931</u>	<u>\$835,931</u>
Cash Balance Carried Forward to FY 2001	<u>\$0</u>	<u>\$0</u>	<u>\$835,931</u>	<u>\$835,931</u>
Amount Restricted for Budget Stabilization				835,931
Total Restricted Assets				<u>\$835,931</u>

**NOTE 15 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The District maintains three Enterprise Funds to account for the operation of Food Services, Uniform School Supply Sales and an Adult Education program. The key financial information for the year ended June 30, 2000 for these enterprise activities is as follows:

	<u>Food Services</u>	<u>Uniform School Supply</u>	<u>Adult Education</u>	<u>Total</u>
Operating Revenues	\$713,865	\$27,802	\$155,389	\$897,056
Depreciation Expense	10,047	0	0	10,047
Operating Loss	(288,721)	(7,116)	(2,063)	(297,900)
Net Income (Loss)	7,942	3,823	(2,063)	9,702
Operating Transfers In	0	10,939	0	10,939
Operating Grants	296,663	0	0	296,663
Total Assets	154,385	3,823	58,756	216,964
Net Working Capital	(124,387)	(27,171)	22,089	(129,469)
Total Equity	(34,827)	(27,171)	22,089	(39,909)

**NOTE 16 - RISK MANAGEMENT**

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 maintains comprehensive commercial insurance coverage for real property, building contents, vehicles, boilers, electronic data processing equipment and instruments.

The comprehensive commercial property coverage limit is \$98,516,889. The deductible is \$5000 and the coinsurance is 90 percent. The business auto coverage limits are \$2,000,000 for liability and uninsured motorists with a \$250 deductible. The District audio-visual and computer equipment policy has a liability limit of \$1,019,116 and the musical instrument policy has a liability limit of \$1,756,940. The deductible for the audio-visual, computer equipment, and musical instruments is \$500. The District has liability insurance coverage limits of \$2,000,000 each occurrence and \$5,000,000 annual aggregate. The District commercial crime coverage liability limit is \$100,000 with a \$500 deductible.

**A. Mahoning County Employee Insurance Consortium**

The District has joined together with other school districts in Mahoning county to form the Mahoning County Employee Insurance Consortium, a public entity shared risk pool, currently operating as a common risk management and insurance program for 14 member school districts. The plan was organized to provide life insurance, health care and other benefits to its member organizations.

Rates are calculated and set through an annual update process. The District pays a monthly contribution which is placed in a common fund from which claims and payments are made for all participating districts and claims are paid for all participants regardless of claims flow. Any claim exceeding \$135,000 is covered by the District's stop-loss carrier.

**NOTE 16 - RISK MANAGEMENT (Continued)**

**A. Mahoning County Employee Insurance Consortium** (Continued)

The District pays the insurance premiums for certified and classified employees. The District pays the equivalent of a single person insurance premium for the employees, employees who desire family coverage are required to pay the difference in premium between single coverage and family coverage.

The dental and prescription drug coverage is administered by Professional Risk Management, a third party administrator. National Life Insurance Company provides the life insurance coverage.

**B. OSBA Group Rating Program**

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-elect and the Immediate Past President of the Ohio School Boards Association. 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.

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

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

**NOTE 17 - JOINTLY GOVERNED ORGANIZATION**

**A. Area Cooperative Computerized Educational Service System**

Area Cooperative Computerized Educational Service System (ACCESS), a not-for-profit computer service, is jointly governed by twenty-two school districts, two county educational service centers, and one community school within Mahoning and Columbiana counties. ACCESS is governed by an assembly consisting of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the assembly. Members of ACCESS are assessed annual user fees and periodic capital improvement fees based on their average daily membership. During fiscal year 2000, the District paid \$98,300 to ACCESS for computer services. The members do have an ongoing financial interest in ACCESS, however, they do not have an equity interest.

**NOTE 17 - JOINTLY GOVERNED ORGANIZATION (Continued)**

**B. Mahoning County Joint Vocational School**

The Mahoning County Joint Vocational School is a district political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating school districts' elected board, which possesses its own budgeting and taxing authority. Each School District's control is limited to its representation on the board. During fiscal year 2000 no monies were received from the School District. To obtain financial information write to the Treasurer at the Mahoning County Joint Vocational School, 7300 North Palmyra Road, Canfield, Ohio, 44406.

**NOTE 18 - CONTRIBUTED CAPITAL**

There were no changes to contributed capital during 2000. Contributed capital is as follows:

	Balance <u>6/30/2000</u>
Food Service Fund	\$150,371

**NOTE 19 - CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

The District is not currently a party to any legal proceedings that could have a material effect on the financial statements as of June 30, 2000.

**C. State School Funding**

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 School District. During the fiscal year ended June 30, 2000, the School District received \$6,537,628 of school foundation support for its general fund.

**NOTE 19 – CONTINGENCIES (Continued)**

**C. State School Funding (Continued)**

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the “thorough and efficient” clause of the 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 continue the case at least until June 15, 2001. As of the date of these financial statements, the School District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations.

**BOARDMAN LOCAL SCHOOL DISTRICT  
MAHONING COUNTY  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2000**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution	04836	10.550		\$61,657		\$58,302
School Breakfast Program	05-PU	10.553	\$5,710		\$5,710	
National School Lunch Program	03-PU	10.555	63,535		63,535	
	04-PU	10.555	153,536		153,536	
			217,071		217,071	
Total U.S. Department of Agriculture - Nutrition Cluster			222,781	61,657	222,781	58,302
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
School to Work	STW-99	17.249			14,175	
Grants to Local Educational Agencies (ESEA Title I)	C1-S1-99	84.010	58,961		27,100	
	C1-S1-99C	84.010	29,099		29,099	
	C1-S1-2000	84.010	181,212		176,204	
Subtotal - Grants to Local Educational Agencies			269,272		232,403	
Special Education Cluster:						
Special Education Grants to States (IDEA Part B)	6B-SF-99	84.027	9,303		51,871	
	6B-SF-2000	84.027	224,406		187,474	
Subtotal - Special Education Cluster			233,709		239,345	
Safe and Drug-Free Schools Grant	DR-S1-98C	84.186			3,198	
	DR-S1-99	84.186	6,485		1,295	
	DR-S1-99C	84.186	4,139		4,139	
	DR-S1-2000	84.186	19,603		17,150	
Subtotal - Drug-Free Schools Grant			30,227		25,782	
Innovative Education Program Strategies	C2-S1-2000	84.298	17,929		12,744	
	C2-S1-99	84.298			14,737	
	C2-S1-99C	84.298	4,018			
Subtotal -Inovative Educational Program Strategies			21,947		27,481	
Class-Size Reduction Grant (Title VI-R)	CR-S1-2000	84.340	59,650		49,852	
Total U.S. Department of Education			614,805		589,038	
<b>Totals</b>			<b>\$837,586</b>	<b>\$61,657</b>	<b>\$811,819</b>	<b>\$58,302</b>

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



**BOARDMAN LOCAL SCHOOL DISTRICT  
MAHONING COUNTY**

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

**NOTE A--SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B--FOOD DISTRIBUTION**

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

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Board of Education  
Boardman Local School District  
Mahoning County  
7410 Market Street  
Youngstown, Ohio 44512

To the Board of Education:

We have audited the general-purpose financial statements of Boardman Local School District, Mahoning County, (the District), as of and for the year ended June 30, 2000, and have issued our report thereon dated February 9, 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 financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to the management of the District in a separate letter dated February 9, 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 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 the management of the District in a separate letter dated February 9, 2001.

Board of Education  
Boardman Local School District  
Mahoning County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

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

**Jim Petro**  
Auditor of State

February 9, 2001



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

Board of Education  
Boardman Local School District  
Mahoning County  
7410 Market Street  
Youngstown, Ohio 44512

To the Board of Education:

**Compliance**

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

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

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

**Internal Control Over Compliance**

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

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

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

**Jim Petro**  
Auditor of State

February 9, 2001

**BOARDMAN LOCAL SCHOOL DISTRICT  
MAHONING COUNTY  
JUNE 30, 2000**

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

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

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

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

None

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

None







STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**BOARDMAN LOCAL SCHOOL DISTRICT**

**MAHONING 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 1, 2001**