



**BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
TUSCARAWAS COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
TUSCARAWAS COUNTY**

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

111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Buckeye Joint Vocational School District
Tuscarawas County
545 University Drive
New Philadelphia, Ohio 44663

To the Board of Education:

We have audited the accompanying general purpose financial statements of Buckeye Joint Vocational School District, Tuscarawas 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 District, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 3 to the general purpose financial statements, the District reclassified a previously reported Expendable Trust Fund to a Special Revenue Fund. Accordingly, the Expendable Trust Fund and Special Revenue Fund July 1, 1999 balances have been restated.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2000, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Schedule of Receipts and Expenditures of Federal Awards is presented for the purpose of additional analysis as required by the 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

December 18, 2000

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Buckeye Joint Vocational School District

Combined Balance Sheet

All Fund Types and Account Groups

June 30, 2000

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
Assets and Other Debits			
Assets			
Equity in Pooled Cash and Cash Equivalents	\$4,664,245	\$226,880	\$865,971
Cash and Cash Equivalents In Segregated Accounts	0	0	0
Receivables:			
Taxes	3,722,402	0	359,423
Accounts	182,810	3,248	0
Intergovernmental	4,678	101,898	0
Interfund Receivable	124,820	0	0
Prepaid Items	15,204	0	0
Inventory Held for Resale	0	0	0
Materials and Supplies			
Inventory	88,966	0	0
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	175,366	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0
Other Debits			
Amount to be Provided from General Government Resources	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets and Other Debits</i>	<u><u>\$8,978,491</u></u>	<u><u>\$332,026</u></u>	<u><u>\$1,225,394</u></u>

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	
\$67,000	\$0	\$18,849	\$0	\$0	\$5,842,945
0	329,327	0	0	0	329,327
0	0	0	0	0	4,081,825
1,010	1,582	0	0	0	188,650
0	0	0	0	0	106,576
0	0	0	0	0	124,820
0	0	0	0	0	15,204
9,606	0	0	0	0	9,606
353	0	0	0	0	89,319
0	0	0	0	0	175,366
34,476	0	0	14,718,651	0	14,753,127
0	0	0	0	327,137	327,137
<u>\$112,445</u>	<u>\$330,909</u>	<u>\$18,849</u>	<u>\$14,718,651</u>	<u>\$327,137</u>	<u>\$26,043,902</u>

(continued)

Buckeye Joint Vocational School District
Combined Balance Sheet
All Fund Types and Account Groups (continued)
June 30, 2000

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Liabilities, Fund Equity and Other Credits			
Liabilities			
Accounts Payable	\$167,894	\$13,495	\$8,754
Contracts Payable	0	0	37,647
Accrued Wages	462,656	0	0
Compensated Absences Payable	41,804	5,083	0
Retainage Payable	0	0	990
Interfund Payable	0	124,820	0
Intergovernmental Payable	19,087	2,437	0
Deferred Revenue	3,007,000	0	288,734
Due to Students	0	0	0
Claims Payable	0	0	0
Capital Leases Payable	0	0	0
Energy Conservation Loan Payable	0	0	46,201
	<u>3,698,441</u>	<u>145,835</u>	<u>382,326</u>
Total Liabilities			
Fund Equity and Other Credits			
Investment in			
General Fixed Assets	0	0	0
Contributed Capital	0	0	0
Retained Earnings:			
Unreserved (Deficit)	0	0	0
Fund Balance:			
Reserved for Encumbrances	120,351	44,618	131,978
Reserved for Inventory	88,966	0	0
Reserved for Property Taxes	714,749	0	70,689
Reserved for Budget Stabilization	175,366	0	0
Unreserved:			
Undesignated	4,180,618	141,573	640,401
	<u>5,280,050</u>	<u>186,191</u>	<u>843,068</u>
Total Fund Equity and Other Credits	<u>5,280,050</u>	<u>186,191</u>	<u>843,068</u>
	<u>\$8,978,491</u>	<u>\$332,026</u>	<u>\$1,225,394</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$8,978,491</u>	<u>\$332,026</u>	<u>\$1,225,394</u>

See accompanying notes to the general purpose financial statements

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	
\$4,520	\$0	\$0	\$0	\$0	\$194,663
0	0	0	0	0	37,647
7,206	0	0	0	0	469,862
0	0	0	0	221,832	268,719
0	0	0	0	0	990
0	0	0	0	0	124,820
5,618	0	0	0	7,776	34,918
3,833	0	0	0	0	3,299,567
0	0	18,849	0	0	18,849
0	95,647	0	0	0	95,647
0	0	0	0	97,529	97,529
0	0	0	0	0	46,201
<u>21,177</u>	<u>95,647</u>	<u>18,849</u>	<u>0</u>	<u>327,137</u>	<u>4,689,412</u>
0	0	0	14,718,651	0	14,718,651
261,690	0	0	0	0	261,690
(170,422)	235,262	0	0	0	64,840
0	0	0	0	0	296,947
0	0	0	0	0	88,966
0	0	0	0	0	785,438
0	0	0	0	0	175,366
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,962,592</u>
<u>91,268</u>	<u>235,262</u>	<u>0</u>	<u>14,718,651</u>	<u>0</u>	<u>21,354,490</u>
<u>\$112,445</u>	<u>\$330,909</u>	<u>\$18,849</u>	<u>\$14,718,651</u>	<u>\$327,137</u>	<u>\$26,043,902</u>

Buckeye Joint Vocational School District
*Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types
For the Fiscal Year Ended June 30, 2000*

	Governmental Fund	
	General	Special Revenue
Revenues		
Property and Other Taxes	\$4,162,752	\$0
Intergovernmental	4,246,219	1,078,183
Interest	259,912	124
Tuition and Fees	27,180	446,032
Customer Services	315,893	0
Extracurricular Activities	0	200
Miscellaneous	7,239	9,171
	<u>9,019,195</u>	<u>1,533,710</u>
<i>Total Revenues</i>		
Expenditures		
Current:		
Instruction:		
Regular	694,847	5,364
Special	236,386	0
Vocational	4,401,701	147,553
Adult/Continuing	0	853,046
Support Services:		
Pupils	343,740	213,376
Instructional Staff	327,243	152,992
Board of Education	77,234	0
Administration	409,798	23,338
Fiscal	243,071	5,440
Operation and Maintenance of Plant	856,891	0
Pupil Transportation	6,735	0
Central	0	185,988
Operation of Non-Instructional Services	0	144
Extracurricular Activities	0	355
Capital Outlay	0	0
Debt Service:		
Principal Retirement	42,574	0
Interest and Fiscal Charges	7,418	0
	<u>7,647,638</u>	<u>1,587,596</u>
<i>Total Expenditures</i>		
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,371,557</u>	<u>(53,886)</u>
Other Financing Sources (Uses)		
Proceeds from Sale of Fixed Assets	24,746	0
Operating Transfers In	0	35,500
Operating Transfers Out	(70,151)	0
	<u>(45,405)</u>	<u>35,500</u>
<i>Total Other Financing Sources (Uses)</i>		
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>1,326,152</u>	<u>(18,386)</u>
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	3,953,485	204,577
Increase in Reserve for Inventory	413	0
<i>Fund Balances End of Year</i>	<u>\$5,280,050</u>	<u>\$186,191</u>

See accompanying notes to the general purpose financial statements

<u>Types</u>	<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
Capital Projects	
\$530,769	\$4,693,521
34,149	5,358,551
24,215	284,251
0	473,212
0	315,893
0	200
<u>0</u>	<u>16,410</u>
<u>589,133</u>	<u>11,142,038</u>
0	700,211
0	236,386
0	4,549,254
0	853,046
0	557,116
0	480,235
0	77,234
0	433,136
0	248,511
0	856,891
0	6,735
0	185,988
0	144
0	355
224,820	224,820
0	42,574
<u>0</u>	<u>7,418</u>
<u>224,820</u>	<u>9,460,054</u>
<u>364,313</u>	<u>1,681,984</u>
9,135	33,881
34,651	70,151
<u>0</u>	<u>(70,151)</u>
<u>43,786</u>	<u>33,881</u>
408,099	1,715,865
434,969	4,593,031
<u>0</u>	<u>413</u>
<u>\$843,068</u>	<u>\$6,309,309</u>

Buckeye Joint Vocational School District
*Combined Statement of Revenues, Expenditures and Changes In
Fund Balances - Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types
For the Fiscal Year Ended June 30, 2000*

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Property and Other Local Taxes	\$3,900,961	\$3,901,043	\$82
Intergovernmental	4,245,112	4,246,219	1,107
Interest	241,000	256,154	15,154
Tuition and Fees	26,906	27,295	389
Customer Services	316,088	317,267	1,179
Extracurricular Activities	0	0	0
Miscellaneous	7,200	7,239	39
<i>Total Revenues</i>	<u>8,737,267</u>	<u>8,755,217</u>	<u>17,950</u>
Expenditures			
Current:			
Instruction:			
Regular	735,954	687,474	48,480
Special	246,142	229,329	16,813
Vocational	4,644,843	4,491,794	153,049
Adult/Continuing	0	0	0
Support Services:			
Pupils	355,524	345,891	9,633
Instructional Staff	350,659	338,387	12,272
Board of Education	98,116	92,334	5,782
Administration	427,659	424,169	3,490
Fiscal	254,945	248,956	5,989
Operation and Maintenance of Plant	949,733	921,939	27,794
Pupil Transportation	18,736	16,490	2,246
Central	0	0	0
Operation of Non-Instructional Services	6,000	0	6,000
Extracurricular Activities	0	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>8,088,311</u>	<u>7,796,763</u>	<u>291,548</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>648,956</u>	<u>958,454</u>	<u>309,498</u>
Other Financing Sources (Uses)			
Proceeds from Sale of Fixed Assets	0	0	0
Advances In	68,532	68,532	0
Advances Out	(125,000)	(124,820)	(180)
Operating Transfers In	0	0	0
Operating Transfers Out	(120,438)	(120,142)	296
<i>Total Other Financing Sources (Uses)</i>	<u>(176,906)</u>	<u>(176,430)</u>	<u>116</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	472,050	782,024	309,614
<i>Fund Balances Beginning of Year</i>	3,661,867	3,661,867	0
Prior Year Encumbrances Appropriated	<u>155,580</u>	<u>155,580</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$4,289,497</u></u>	<u><u>\$4,599,471</u></u>	<u><u>\$309,614</u></u>

Special Revenue Funds			Debt Service Fund		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$0	\$0	\$0
1,079,993	1,080,757	764	0	0	0
100	124	24	0	0	0
438,385	445,546	7,161	0	0	0
0	0	0	0	0	0
186	200	14	0	0	0
9,135	9,171	36	0	0	0
<u>1,527,799</u>	<u>1,535,798</u>	<u>7,999</u>	<u>0</u>	<u>0</u>	<u>0</u>
5,448	5,448	0	0	0	0
0	0	0	0	0	0
148,321	147,553	768	0	0	0
941,683	885,607	56,076	0	0	0
226,648	221,171	5,477	0	0	0
169,013	159,752	9,261	0	0	0
0	0	0	0	0	0
33,200	23,338	9,862	0	0	0
9,524	7,022	2,502	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
208,963	207,713	1,250	0	0	0
1,200	344	856	0	0	0
1,500	355	1,145	0	0	0
0	0	0	0	0	0
0	0	0	77,225	77,225	0
0	0	0	7,418	7,418	0
<u>1,745,500</u>	<u>1,658,303</u>	<u>87,197</u>	<u>84,643</u>	<u>84,643</u>	<u>0</u>
<u>(217,701)</u>	<u>(122,505)</u>	<u>95,196</u>	<u>(84,643)</u>	<u>(84,643)</u>	<u>0</u>
0	0	0	0	0	0
124,820	124,820	0	0	0	0
(68,532)	(68,532)	0	0	0	0
35,499	35,500	1	84,643	84,643	0
0	0	0	0	0	0
<u>91,787</u>	<u>91,788</u>	<u>1</u>	<u>84,643</u>	<u>84,643</u>	<u>0</u>
(125,914)	(30,717)	95,197	0	0	0
151,227	151,227	0	0	0	0
<u>44,983</u>	<u>44,983</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$70,296</u>	<u>\$165,493</u>	<u>\$95,197</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

(continued)

Buckeye Joint Vocational School District
*Combined Statement of Revenues, Expenditures and Changes In
Fund Balances - Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types (continued)
For the Fiscal Year Ended June 30, 2000*

	Capital Projects Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$504,927	\$504,951	\$24
Intergovernmental	34,131	34,149	18
Interest	21,800	25,104	3,304
Tuition and Fees	0	0	0
Customer Services	0	0	0
Rentals	0	0	0
Miscellaneous	0	0	0
<i>Total Revenues</i>	<u>560,858</u>	<u>564,204</u>	<u>3,346</u>
Expenditures			
Current:			
Instruction:			
Regular	0	0	0
Special	0	0	0
Vocational	0	0	0
Adult/Continuing	0	0	0
Support Services:			
Pupils	0	0	0
Instructional Staff	0	0	0
Board of Education	0	0	0
Administration	0	0	0
Fiscal	0	0	0
Operation and Maintenance of Plant	8,500	8,312	188
Pupil Transportation	69,500	66,599	2,901
Central	0	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	457,937	418,228	39,709
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>535,937</u>	<u>493,139</u>	<u>42,798</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>24,921</u>	<u>71,065</u>	<u>46,144</u>
Other Financing Sources (Uses)			
Proceeds from Sale of Fixed Assets	34,100	34,136	36
Advances In	0	0	0
Advances Out	0	0	0
Operating Transfers In	0	0	0
Operating Transfers Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>34,100</u>	<u>34,136</u>	<u>36</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	59,021	105,201	46,180
<i>Fund Balances Beginning of Year</i>	374,853	374,853	0
Prior Year Encumbrances Appropriated	<u>212,436</u>	<u>212,436</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$646,310</u>	<u>\$692,490</u>	<u>\$46,180</u>

See accompanying notes to the general purpose financial statements.

Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)
\$4,405,888	\$4,405,994	\$106
5,359,236	5,361,125	1,889
262,900	281,382	18,482
465,291	472,841	7,550
316,088	317,267	1,179
186	200	14
16,335	16,410	75
<u>10,825,924</u>	<u>10,855,219</u>	<u>29,295</u>
741,402	692,922	48,480
246,142	229,329	16,813
4,793,164	4,639,347	153,817
941,683	885,607	56,076
582,172	567,062	15,110
519,672	498,139	21,533
98,116	92,334	5,782
460,859	447,507	13,352
264,469	255,978	8,491
958,233	930,251	27,982
88,236	83,089	5,147
208,963	207,713	1,250
7,200	344	6,856
1,500	355	1,145
457,937	418,228	39,709
77,225	77,225	0
7,418	7,418	0
<u>10,454,391</u>	<u>10,032,848</u>	<u>421,543</u>
<u>371,533</u>	<u>822,371</u>	<u>450,838</u>
34,100	34,136	36
193,352	193,352	0
(193,532)	(193,352)	180
120,142	120,143	1
(120,438)	(120,142)	296
<u>33,624</u>	<u>34,137</u>	<u>513</u>
405,157	856,508	451,351
4,187,947	4,187,947	0
<u>412,999</u>	<u>412,999</u>	<u>0</u>
<u>\$5,006,103</u>	<u>\$5,457,454</u>	<u>\$451,351</u>

Buckeye Joint Vocational School District
*Combined Statement of Revenues,
Expenses and Changes in Fund Equity
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2000*

	Enterprise	Internal Service	Totals (Memorandum Only)
Operating Revenues			
Sales	\$265,538	\$0	\$265,538
Charges for Services	0	790,981	790,981
<i>Total Operating Revenues</i>	<u>265,538</u>	<u>790,981</u>	<u>1,056,519</u>
Operating Expenses			
Salaries	102,649	0	102,649
Fringe Benefits	46,419	0	46,419
Purchased Services	0	138,704	138,704
Materials and Supplies	6,306	0	6,306
Cost of Sales	189,163	0	189,163
Depreciation	2,224	0	2,224
Claims	0	817,261	817,261
<i>Total Operating Expenses</i>	<u>346,761</u>	<u>955,965</u>	<u>1,302,726</u>
<i>Operating Loss</i>	<u>(81,223)</u>	<u>(164,984)</u>	<u>(246,207)</u>
Non-Operating Revenues (Expenses)			
Federal Donated Commodities	19,850	0	19,850
Operating Grants	41,113	0	41,113
Interest	2,284	4,855	7,139
Loss on Sale of Fixed Assets	(3,932)	0	(3,932)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>59,315</u>	<u>4,855</u>	<u>64,170</u>
<i>Net Loss</i>	(21,908)	(160,129)	(182,037)
<i>Retained Earnings (Deficit) Beginning of Year</i>	<u>(148,514)</u>	<u>395,391</u>	<u>246,877</u>
<i>Retained Earnings (Deficit) End of Year</i>	(170,422)	235,262	64,840
<i>Contributed Capital Beginning and End of Year</i>	<u>261,690</u>	<u>0</u>	<u>261,690</u>
<i>Total Fund Equity End of Year</i>	<u><u>\$91,268</u></u>	<u><u>\$235,262</u></u>	<u><u>\$326,530</u></u>

See accompanying notes to the general purpose financial statements

Buckeye Joint Vocational School District
*Combined Statement of Revenues, Expenses and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2000*

	Enterprise Funds		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Sales	\$263,014	\$264,528	\$1,514
Charges for Services	0	0	0
Operating Grants	40,575	41,113	538
Interest	1,925	2,284	359
<i>Total Revenues</i>	305,514	307,925	2,411
Expenses			
Salaries	109,353	102,460	6,893
Fringe Benefits	60,013	46,894	13,119
Purchased Services	0	0	0
Materials and Supplies	178,753	175,726	3,027
Capital Outlay	601	0	601
<i>Total Expenses</i>	348,720	325,080	23,640
<i>Excess of Revenues Under Expenses</i>	(43,206)	(17,155)	26,051
<i>Fund Equity Beginning of Year</i>	81,906	81,906	0
Prior Year Encumbrances Appropriated	954	954	0
<i>Fund Equity End of Year</i>	\$39,654	\$65,705	\$26,051

(continued)

Buckeye Joint Vocational School District
*Combined Statement of Revenues, Expenses and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
All Proprietary Fund Types (continued)
For the Fiscal Year Ended June 30, 2000*

	Internal Service Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales	\$0	\$0	\$0
Charges for Services	790,209	790,981	772
Operating Grants	0	0	0
Interest	5,010	5,015	5
<i>Total Revenues</i>	795,219	795,996	777
Expenses			
Salaries	0	0	0
Fringe Benefits	178,500	138,704	39,796
Purchased Services	787,500	786,392	1,108
Materials and Supplies	0	0	0
Capital Outlay	0	0	0
<i>Total Expenses</i>	966,000	925,096	40,904
<i>Excess of Revenues Under Expenses</i>	(170,781)	(129,100)	41,681
<i>Fund Equity Beginning of Year</i>	458,098	458,098	0
Prior Year Encumbrances Appropriated	0	0	0
<i>Fund Equity End of Year</i>	\$287,317	\$328,998	\$41,681

See accompanying notes to the general purpose financial statements

<u>Totals (Memorandum Only)</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$263,014	\$264,528	\$1,514
790,209	790,981	772
40,575	41,113	538
<u>6,935</u>	<u>7,299</u>	<u>364</u>
<u>1,100,733</u>	<u>1,103,921</u>	<u>3,188</u>
109,353	102,460	6,893
238,513	185,598	52,915
787,500	786,392	1,108
178,753	175,726	3,027
<u>601</u>	<u>0</u>	<u>601</u>
<u>1,314,720</u>	<u>1,250,176</u>	<u>64,544</u>
(213,987)	(146,255)	67,732
540,004	540,004	0
<u>954</u>	<u>954</u>	<u>0</u>
<u>\$326,971</u>	<u>\$394,703</u>	<u>\$67,732</u>

Buckeye Joint Vocational School District
Combined Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2000

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
<i>Increase (Decrease) in</i>			
<i>Cash and Cash Equivalents</i>			
Cash Flows from Operating Activities			
Cash Received from Customers	\$264,528	\$0	\$264,528
Cash Received from Quasi-External External Operating Transactions	0	790,981	790,981
Cash Payments to Employees for Services	(102,460)	0	(102,460)
Cash Payments for Employee Benefits	(46,879)	0	(46,879)
Cash Payments for Goods and Services	(174,446)	(138,704)	(313,150)
Cash Payments for Claims	0	(786,393)	(786,393)
 <i>Net Cash Used for</i>			
<i>Operating Activities</i>	<u>(59,257)</u>	<u>(134,116)</u>	<u>(193,373)</u>
 Cash Flows from Noncapital Financing Activities			
Operating Grants Received	41,113	0	41,113
 Cash Flows from Investing Activities			
Interest on Investments	<u>2,284</u>	<u>4,855</u>	<u>7,139</u>
 <i>Net Decrease in</i>			
<i>Cash and Cash Equivalents</i>	(15,860)	(129,261)	(145,121)
 <i>Cash and Cash Equivalents</i>			
<i>Beginning of Year</i>	<u>82,860</u>	<u>458,588</u>	<u>541,448</u>
 <i>Cash and Cash Equivalents End of Year</i>	<u><u>\$67,000</u></u>	<u><u>\$329,327</u></u>	<u><u>\$396,327</u></u>

(continued)

Buckeye Joint Vocational School District

Combined Statement of Cash Flows

All Proprietary Fund Types (continued)

For the Fiscal Year Ended June 30, 2000

	Proprietary Fund Types		Totals
	Enterprise	Internal Service	(Memorandum Only)
<i>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</i>			
<i>Operating Loss</i>	<u>(\$81,223)</u>	<u>(\$164,984)</u>	<u>(\$246,207)</u>
Adjustments			
Depreciation	2,224	0	2,224
Donated Commodities Used During Year	19,850	0	19,850
(Increase)/Decrease in Assets:			
Accounts Receivable	(1,010)	(1,581)	(2,591)
Inventory Held for Resale	1,280	0	1,280
Materials and Supplies Inventory	(29)	0	(29)
Increase/(Decrease) in Liabilities:			
Accounts Payable	218	0	218
Accrued Wages	189	0	189
Compensated Absences Payable	0	0	0
Intergovernmental Payable	(756)		(756)
Claims Payable	<u>0</u>	<u>32,449</u>	<u>32,449</u>
<i>Total Adjustments</i>	<u>21,966</u>	<u>30,868</u>	<u>52,834</u>
<i>Net Cash Used for Operating Activities</i>	<u><u>(\$59,257)</u></u>	<u><u>(\$134,116)</u></u>	<u><u>(\$193,373)</u></u>

See accompanying notes to the general purpose financial statements

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BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The first official body designated as the Buckeye Joint Vocational Board of Education was formed on June 30, 1970. Buckeye Joint Vocational School District (School District) is a joint vocational school district as defined by Section 3311.18 of the Ohio Revised Code and 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. A vocational school exposes students to job training leading to employment upon graduation from high school. The School District includes eleven member schools spread throughout Carroll, Coshocton, Guernsey, Harrison, Holmes, Stark, Tuscarawas and Wayne counties.

The School District is a jointly governed organization operating under an eleven member board representing the member school districts. The School District provides educational services as authorized and mandated by State or federal agencies.

Reporting Entity

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

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

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

The School District is associated with the Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA), which is defined as a jointly governed organization. Additional information concerning the jointly governed organization is presented in Note 18.

The School District is associated with the Ohio School Boards Association Workers' Compensation Group Rating Plan, which is defined as an insurance purchasing pool. Additional information concerning the insurance purchasing pool is presented in Note 19.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation - Fund Accounting

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

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

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

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

Governmental Fund Types

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

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

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

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

Capital Projects Fund - The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Proprietary Fund Types

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

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

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

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

Fiduciary Fund Types

Fiduciary fund is used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The School District's only fiduciary fund is the agency fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

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

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

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

B. Measurement Focus and Basis of Accounting

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

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the combined balance sheet.

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

Fund equity (i.e., net total assets) is segregated into contributed capital and retained earning components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

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

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

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

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

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

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized when they are incurred. There are no unbilled service charges receivable at year end. The fair value of donated commodities unused during the fiscal year is reported in the operating statement as an expense with a like amount reported as federal donated commodities revenue. Unused donated commodities are reported as deferred

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

revenue.

C. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources and the Appropriations Resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriations Resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

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

Tax Budget

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Tuscarawas County Budget Commission for rate determination.

Estimated Resources

Prior to April 1, the Board of Education 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 School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered cash balances from the preceding fiscal year. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

amounts reported in the budgetary statement reflect the amounts in the final amended Certificate issued during fiscal year 2000.

Appropriations

Upon receipt from the County Auditor of an amended Certificate of Estimated Resources based on final assessed values and tax rates or a Certificate saying no new Certificate is necessary, the annual appropriations resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The Appropriations Resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation, or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the fiscal year, supplemental appropriations were legally enacted; however, none of the amendments were significant.

The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the fiscal year for all funds, other than agency funds, consistent with statutory provisions.

Encumbrances

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

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

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 appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

D. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet.

During fiscal year 2000, investments were limited to certificates of deposit, repurchase agreements, and STAROhio. Except for nonparticipating contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio 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 STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2000.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2000 amounted to \$259,912 which includes \$31,593 assigned from other School District funds.

The School District has a segregated bank account for monies held separate from the School District's central bank accounts. This interest bearing depository account is presented in the combined balance sheet as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited into the School District treasury.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with a maturity of

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

E. Prepays

Payments made to vendors for services that will benefit periods beyond June 30, 2000, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

F. Inventory

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

G. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by statute to be set-aside by the School District for the creation of a reserve for budget stabilization. See Note 22 additional information regarding set-asides.

H. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

values as of the date received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not possess any infrastructure.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements are capitalized and depreciated over the useful lives of the fund fixed assets.

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

I. Intergovernmental Revenues

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

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

Entitlements

General Fund

State Foundation Program
State Property Tax Relief

Non-Reimbursable Grants

Special Revenue Funds

Career Development
Adult Education
Adult Education Full Service
Tech Prep Expanded Enrollment
Adult Basic Education
Vocational Education
Title VI Block Grant
Educational Management Information System
FCC - E-rate

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

Reimbursable Grants

Enterprise Funds

National School Lunch Program

Government Donated Commodities

Grants and entitlements amounted to forty-eight percent of the School District's governmental funds' revenue during the 2000 fiscal year.

J. Interfund Assets and Liabilities

Short-term interfund loans are classified as "Interfund Receivables/Payables." Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "Due from Other Funds" or "Due to Other Funds" on the balance sheet.

K. Compensated Absences

The School District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are eligible to receive termination benefits and those the School District had identified as probable (after twenty-five years of retirement system service) of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

L. Contributed Capital

Contributed capital represents resources provided by other funds, other governments and private sources to the enterprise funds that is not subject to repayment. These assets are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end.

M. Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current expendable available financial resources. In general, amounts paid more than sixty days after fiscal year end are considered not to have been paid with current available financial resources. Capital leases are reported as a liability of the general long-term obligations account group until due.

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

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

N. Interfund Transactions

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

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
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Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

O. Fund Balance Reserves

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

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

P. Estimates

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

Q. Total Columns on General Purpose Financial Statements

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

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
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NOTE 3 - RESTATEMENT OF FUND BALANCES

During fiscal year 2000, the fund structure was re-evaluated to better report the School District's financial activity. This restructure had the following effects on the excess of revenues and other financing sources over (under) expenditures and other financing uses.

	<u>Special Revenue</u>	<u>Expendable Trust</u>
Excess as previously reported	\$1,356	(\$386)
Fund Restructure	<u>(386)</u>	<u>386</u>
Excess Restated 6/30/99	<u>\$ 970</u>	<u>\$ 0</u>

This restructure had the following effect on fund balances as previously reported as of June 30, 1999:

	<u>Special Revenue</u>	<u>Expendable Trust</u>
Fund Balance as Previously Reported 6/30/99	\$199,774	\$ 4,803
Fund Restructure	<u>4,803</u>	<u>(4,803)</u>
Fund Balances Restated 7/1/99	<u>\$204,577</u>	<u>\$ 0</u>

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
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NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budgetary basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budgetary basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budgetary basis) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund types (GAAP basis).
4. Unrecorded cash represents amounts received but not included as revenue on the budgetary basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.
5. Principal and interest payment on notes and the corresponding revenues are reported in a debt service fund (budgetary basis) rather than in the fund that received the proceeds (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type:

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FOR THE FISCAL YEAR ENDED JUNE 30, 2000

Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses
All Governmental Fund Types

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
GAAP Basis	\$1,326,152	(\$18,386)	\$0	\$408,099
Net Adjustment for Revenue Accruals	(307,603)	2,088	0	(34,580)
Transfers for Debt	(49,991)	0	84,643	0
Unrecorded Cash	(15,772)	0	0	0
Advances In	68,532	124,820	0	0
Net Adjustment for Expenditure Accruals	59,902	(9,320)	0	(94,837)
Debt Service:				
Principal	42,574	0	(74,696)	0
Interest	7,418	0	(9,947)	0
Advances Out	(124,820)	(68,532)	0	0
Encumbrances	<u>(224,368)</u>	<u>(61,387)</u>	<u>0</u>	<u>(173,481)</u>
Budgetary Basis	<u>\$782,024</u>	<u>(\$30,717)</u>	<u>\$ 0</u>	<u>\$105,201</u>

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Net Loss/Excess of Revenues Under Expenses All Proprietary Fund Types	
	<u>Enterprise</u>	<u>Internal Service</u>
GAAP Basis	(\$21,908)	(\$160,129)
Net Adjustment for Revenue Accruals	(1,010)	489
Unrecorded Cash	0	(329)
Net Adjustment for Expense Accruals	4,834	30,869
Depreciation Expense	2,224	0
Adjustment for Encumbrances	<u>(1,295)</u>	<u>0</u>
Budgetary Basis	<u>(\$17,155)</u>	<u>(\$129,100)</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of 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 term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
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7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements."

Deposits

At fiscal year-end, the carrying amount of the School District's deposits was \$2,525,633 and the bank balances were \$3,583,586. Of the bank balance:

1. \$200,000 was covered by federal depository insurance.
2. \$3,383,586 was uninsured and uncollateralized although the collateral for the securities was held by the pledging financial institutions' trust department in the School District's name and all statutory requirements for the deposit of money had been followed, non-compliance with all Federal requirements would potentially subject the money held in the School District's name to a successful claim by the FDIC.

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

Investments

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

	<u>Category 3</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Repurchase Agreement	\$ 822,005	\$ 822,005	\$ 822,005
STAROhio		<u>3,000,000</u>	<u>3,000,000</u>
 Total Investments		 <u>\$3,822,005</u>	 <u>\$3,822,005</u>

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined financial statements and the classifications per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement No. 9	\$6,347,638	\$ -0-
Investments which are part of a cash management pool:		
Repurchase Agreement	(822,005)	822,005
 STAROhio	 <u>(3,000,000)</u>	 <u>3,000,000</u>
GASB Statement No. 3	<u>\$2,525,633</u>	<u>\$3,822,005</u>

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distribution occurs during the subsequent fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located within the School District. Real property taxes

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
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are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at eighty-eight percent of true value (with certain exceptions) and on real property at thirty-five percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are twenty-five percent of true value. All property is required to be revalued every six years.

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

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

The School District receives property taxes from Tuscarawas, Guernsey, Carroll, Harrison, Stark, Holmes, Wayne and Coshocton counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the counties by June 30, 2000, are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30 is recognized as revenue. The amount available to the School District as an advance at June 30, 2000, was \$785,438. \$714,749 was available to the General Fund and \$70,689 was available to the Building Capital Projects Fund.

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

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
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	1999 Second- Half Collections		2000 First- Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/ Residential and Other Real Estate	\$1,492,144,670	78.66%	\$1,529,818,880	78.89%
Public Utility Personal	156,873,010	8.27	157,086,230	8.10
Tangible Personal Property	<u>248,011,620</u>	<u>13.07</u>	<u>255,252,199</u>	<u>13.01</u>
Total Assessed Values	<u>\$1,897,029,300</u>	<u>100.00%</u>	<u>\$1,942,157,309</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$2.80		\$2.80	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2000 consisted of taxes, accounts (tuition, commissions, and customer service), and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and current year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

General Fund	<u>\$ 4,678</u>
Special Revenue Funds	
Vocational Education Plan	61,421
Adult Education	22,756
Adult Basic Literacy	4,322
Tech Prep Enrollment	3,000
Career Development	<u>10,399</u>
Total Special Revenue Funds	<u>101,898</u>
Total Intergovernmental Receivables	<u>\$106,576</u>

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
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NOTE 8 - FIXED ASSETS

A summary of the enterprise funds' fixed assets at June 30, 2000 follows:

Furniture and Equipment	\$215,222
Accumulated Depreciation	<u>(180,746)</u>
Net Fixed Assets	<u>\$ 34,476</u>

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

	Balance <u>7/1/99</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6/30/00</u>
Land and Improvements	\$2,567,449	\$ 173,873	\$25,000	\$2,716,322
Buildings	6,702,064	0	0	6,702,064
Furniture and Equipment	4,582,513	512,755	242,603	4,852,665
Vehicles	399,738	31,293	5,880	425,151
Construction in Progress	<u>102,898</u>	<u>22,449</u>	<u>102,898</u>	<u>22,449</u>
Totals	<u>\$14,354,662</u>	<u>\$740,370</u>	<u>\$376,381</u>	<u>\$14,718,651</u>

NOTE 9 - RISK MANAGEMENT

The School 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. During fiscal year 2000, the School District contracted with Indiana Insurance Company for property and general liability insurance. Indiana Insurance Company also covers commercial property, crime, inland marine, and boiler and machinery with a blanket \$20,000,000 insured value and a \$1,000 deductible.

Professional liability is provided by the Nationwide Insurance Company with \$2,000,000 single occurrence and a \$5,000,000 aggregate limit and no deductible. Vehicles are covered by Indiana Insurance Company with comprehensive coverage and a \$250 deductible for collision. Automobile liability has a \$1,000,000 combined single limit of liability.

Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in insurance coverage from the prior fiscal year.

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For fiscal year 2000, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 19). 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 group 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 Fund" 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 and Company provides administrative, cost control and actuarial services to the GRP.

The School District provides life insurance and accidental death and dismemberment insurance to most employees through OME-RESA Health Benefits Plan in the amount of \$25,000.

The School District has elected to provide employee medical/surgical benefits through a self-insurance program. The School District maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. This plan provides a medical/surgical plan with a \$200 family and \$100 single deductible. A third party administrator, Klais & Company, located in Akron, Ohio, reviews all claims which are then paid by the School District. The School District purchases stop-loss coverage of \$35,000 per employee. The School District pays into the self-insurance internal service fund \$541 family coverage and \$216 individual coverage per month which represents the entire premium required. The premium is paid by the fund that pays the salary for the employee and is based on historical cost information. Dental coverage is also provided on a self-insured basis. Premiums for this coverage are \$43.79 monthly for family coverage and \$16.16 monthly for single coverage. The School District is responsible for payment of all claim amounts in excess of the employee payment percentages established in the plan document. Vision insurance is also provided at a premium of \$8.51 monthly for family coverage and \$3.02 for single coverage.

The School District also provides prescription drug insurance to its employees through a self-insured program. This plan utilizes an \$8 per prescription deductible for brand name drugs and no deductible for generic drugs. The third party administrator, IPS, Inc. of North Royalton reviews the claims, which are then paid by the School District. The premium for this coverage is \$108.66 monthly for family coverage and \$43.17 monthly for single coverage.

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 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
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The claims liability of \$95,647 reported in the self-insurance internal service fund at June 30, 2000, is based on the requirements of GASB Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The claims liability is based on an estimate supplied by the School District's third party administrator. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability for fiscal year 1998, 1999, and 2000 were as follows:

	Balance at <u>6/30</u>	Current Year <u>Claims</u>	Claim <u>Payments</u>	Balance at <u>6/30</u>
1998	\$61,758	\$577,522	\$548,896	\$90,384
1999	90,384	898,763	924,369	64,778
2000	64,778	817,261	786,392	95,647

NOTE 10 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3534.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2000, 5.5 percent of annual covered salary was the portion to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$91,049, \$73,252, and \$85,842, respectively; 100 percent has been contributed for fiscal years 2000, 1999, and 1998.

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
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B. State Teachers Retirement System

The School District participated in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple-employer public employee retirement system. STRS provides retirement and disability benefits, annual cost of living adjustments and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

For the fiscal year ended June 30, 2000, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$346,021, \$242,090, and \$393,227, respectively; 100 percent has been contributed for fiscal years 2000, 1999, and 1998.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by SERS or STRS have an option to choose social security or SERS/STRS. As of June 30, 2000, six of the Board of Education members have elected social security. The Board's liability is 6.2 percent of wages paid.

NOTE 11 - POSTEMPLOYMENT BENEFITS

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired classified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of health care cost in the form of a monthly premium. By law,

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
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the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2000, the STRS Board allocated employer contributions equal to eight percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$585,062 for fiscal year 2000.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$2.783 million at June 30, 1999 (the latest information available). For the year ended June 30, 1999, (the latest information available) net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2000, employer contributions to fund health care benefits were 8.5 percent of covered payroll, an increase of 2.2 percent for fiscal year 2000. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the members's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including surcharge, during the 2000 fiscal year, equaled \$60,664.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended, June 30, 1999 (the latest information available), were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999 (the latest information available), SERS had net assets available for payment of health care benefits of \$188 million. SERS has approximately 51,000 participants currently receiving health care benefits.

NOTE 12 - COMPENSATED ABSENCES

The criteria for determining vested vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators earn ten to twenty days of vacation per year, depending upon length of service. Vacation days are credited to classified employees on September 1 of each year. Vacation cannot be carried forward. Accumulated unused vacation time

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 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

is paid to classified employees upon termination of employment. Teachers do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated to a maximum of 186 days. Upon retirement, payment is made for 28 percent of the total sick leave accumulation, up to a maximum accumulation of 50 days severance pay at the daily rate of the employee.

NOTE 13 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In prior years, the School District entered into capitalized leases for copiers, a telephone system, and heating and air conditioning equipment. The leases meet the criteria of a capital lease as defined by FASB Statement No. 13 "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the general purpose financial statements.

Fixed assets acquired by leases have been capitalized in the General Fixed Assets Account Group in the amount of \$249,960, which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the General Long-Term Obligations Account Group.

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

<u>Fiscal Year</u> <u>Ending 6/30</u>	<u>Amount</u>
2001	\$ 49,992
2002	49,992
2003	<u>4,166</u>
Total minimum lease payments	104,150
Less amount representing interest	<u>(6,621)</u>
Present value of minimum lease payments	<u>\$ 97,529</u>

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

NOTE 14 - NOTE DEBT

The School District's note activity, including amounts outstanding and interest rates follow:

	<u>Balance</u> <u>6/30/99</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/00</u>
Building Capital Projects Fund: Energy Conservation - 0%	\$ 80,852	\$0	\$34,651	\$46,201

This note will be repaid with taxes revenue. This note is backed by the full faith and credit of the School District. The note liability is reflected in the Building Capital Projects Fund which received the proceeds.

Principal requirements to retire the outstanding note at June 30, 2000, are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>
2001	\$ 34,651
2002	<u>11,550</u>
Total	<u>\$ 46,201</u>

NOTE 15 - LONG-TERM OBLIGATIONS

Changes in long-term obligations of the School District during fiscal year 2000, were as follows:

	<u>Outstanding</u> <u>6/30/99</u>	<u>Additions</u>	<u>Deductions</u>	<u>Outstanding</u> <u>6/30/00</u>
Compensated Absences	\$ 239,620	\$37,311	\$ 55,099	\$ 221,832
Intergovernmental Payable	6,293	7,776	6,293	7,776
Capital Leases	<u>140,103</u>	<u>-0-</u>	<u>42,574</u>	<u>97,529</u>
Total General Long-Term Obligations	<u>\$386,016</u>	<u>\$45,087</u>	<u>\$103,966</u>	<u>\$327,137</u>

Compensated absences will be paid from the fund from which the person is paid. The

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

intergovernmental payable represents contractually required pension contributions made outside the available period and will be paid from the fund from which the employee is paid. The capital lease obligation will be paid from the general fund.

The School District's overall legal debt margin was \$174,794,158 with an unvoted debt margin of \$1,942,157 at June 30, 2000.

NOTE 16 - INTERFUND RECEIVABLES/PAYABLES

Interfund balances at June 30, 2000, consisted of the following individual fund receivables and payables:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$124,820	\$ -0-
Special Revenue Funds		
Adult Education	-0-	50,000
Career Education	-0-	10,399
Adult Vocational Education	-0-	3,000
Vocational Education	<u>-0-</u>	<u>61,421</u>
Total Special Revenue Funds	<u>-0-</u>	<u>124,820</u>
Totals	<u>\$124,820</u>	<u>\$124,820</u>

NOTE 17 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The School District maintains two enterprise funds to account for the operation of food service and uniform school supplies. The following table reflects in a summarized format the more significant financial data relating to the enterprise funds of the School District as of and for the fiscal year ended June 30, 2000.

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Total</u>
Operating Revenues	\$227,079	\$38,459	\$265,538
Operating Expenses			
Before Depreciation	301,066	43,471	344,537
Depreciation	2,224	-0-	2,224
Operating Loss	(76,211)	(5,012)	(81,223)
Donated Commodities	19,850	-0-	19,850
Interest	2,284	-0-	2,284
Operating Grants	41,113	-0-	41,113
Loss on Sale of Fixed Assets	(3,932)	-0-	(3,932)
Net Loss	(16,896)	(5,012)	(21,908)
Net Working Capital	32,584	24,207	56,791
Total Assets	88,238	24,207	112,445
Total Liabilities	21,177	0	21,177
Total Equity	67,061	24,207	91,268
Encumbrances at June 30, 2000	960	335	1,295

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

NOTE 18 - JOINTLY GOVERNED ORGANIZATION

OHIO MID-EASTERN REGIONAL EDUCATIONAL SERVICE AGENCY (OME-RESA)

The Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA) was created as a regional council of governments pursuant to State statutes. OME-RESA has eleven participating counties consisting of Belmont, Carroll, Columbiana, Coshocton, Guernsey, Harrison, Holmes, Jefferson, Muskingum, Noble, and Tuscarawas Counties. OME-RESA operates under the direction of a Board consisting of one representative from each of the participating school districts' elected boards, which possesses its own budgeting and taxing authority. OME-RESA provides financial accounting services, educational management information, and cooperative purchasing to member districts. The Jefferson County Educational Service Center serves as fiscal agent and receives funding from the State Department of Education. Buckeye Joint Vocational School District paid \$12,597 to OME-RESA during fiscal year 2000 for services. To obtain financial information write to the Ohio Mid-Eastern Educational Service Agency, Steubenville, Ohio 43952.

NOTE 19 - INSURANCE PURCHASING POOL

OHIO SCHOOL BOARDS ASSOCIATION WORKERS' COMPENSATION GROUP RATING PLAN (PLAN)

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 OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

NOTE 20 - STATE SCHOOL FUNDING DECISION

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to this School District. During the fiscal year ended June 30, 2000, the School District received \$3,898,942 of school foundation support for its General Fund.

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

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 issued. 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 warranting 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.

NOTE 21 - CONTINGENCIES

A. Grants

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

B. Litigation

The School District is party to legal proceedings. The School District is of the opinion that

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

ultimate disposition of these claims and legal proceedings will not have a material adverse effect, if any, on the financial condition of the School District.

NOTE 22 - SET ASIDES CALCULATIONS AND FUND RESERVES

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

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

	Textbooks	Capital Acquisition	Budget Stabilization
Set-aside Reserve Balance as of June 30, 1999	\$-0-	\$-0-	\$103,588
Current Year Set-aside Requirement	215,334	215,334	71,778
Qualifying Disbursements	<u>(869,106)</u>	<u>(226,008)</u>	<u>-0-</u>
Totals	<u>(\$653,772)</u>	<u>(\$10,674)</u>	<u>\$175,366</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$(653,772)</u>	<u>\$-0-</u>	<u>\$175,366</u>
Set-aside Reserve Balance As of June 30, 2000	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$175,366</u>

The School District had qualifying disbursements during the fiscal year that reduced the set-aside amounts to below zero. The textbooks excess amounts may be used to reduce the set-aside requirements of future years. The capital acquisition excess amounts may not be used to reduce the set-aside requirements of future years. These negative amounts are therefore not presented as being carried forward to future years. The total reserve balance for the three set-asides at the end of the fiscal year was \$175,366.

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
TUSCARAWAS COUNTY

SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
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	Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed through the Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution	N/A	10.550	\$0	\$19,728	\$0	\$19,850
National School Lunch Program	N/A	10.555	39,209	0	39,209	0
Total U.S. Department of Agriculture - Nutrition Cluster			39,209	19,728	39,209	19,850
U.S. DEPARTMENT OF EDUCATION						
<i>Passed through the Ohio Department of Education:</i>						
Adult Education - State Grant Program	51656-AB-S1-00	84.002	94,634	0	94,634	0
Vocational Education - Basic Grants to States	VECPII-S99-101 VECPII-S00-101	84.048	55,520 348,051	0 0	55,520 348,051	0 0
Total Vocational Education- Basic Grants to States			403,571		403,571	
Chapter 2	051656-C2-S1-99 051656-C2-S1-00	84.151	674 4,774	0 0	674 4,774	0 0
Total Chapter 2			5,448	0	5,448	0
Direct Grant:						
Federal Pell Grant Program		84.063	63,072 140	0	63,072 140	0 0
Total Federal Pell Grant Program			63,212	0	63,212	0
Total U.S. Department of Education			566,865	0	566,865	0
Total			\$606,074	\$19,728	\$606,074	\$19,850

**BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
TUSCARAWAS COUNTY**

**NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2000**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The Schedule of Receipts and Expenditures of Federal Awards (Schedule) is a summary of the 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 is reported in the Schedule at the fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2000, the District had food commodities valued at \$3,833 in inventory.



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

111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

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

Buckeye Joint Vocational School District
Tuscarawas County
545 University Drive
New Philadelphia, Ohio 44663

To the Board of Education:

We have audited the general purpose financial statements of Buckeye Joint Vocational School District, Tuscarawas County, (the District) as of and for the year ended June 30, 2000, and have issued our report thereon dated December 18, 2000, in which we noted the District reclassified its Expendable Trust Fund to a Special Revenue Fund. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Buckeye Joint Vocational School District
Tuscarawas County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 18, 2000.

This report is intended for the information and use of 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

December 18, 2000



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

111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

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

Buckeye Joint Vocational School District
Tuscarawas County
545 University Drive
New Philadelphia, Ohio 44663

To the Board of Education:

Compliance

We have audited the compliance of Buckeye Joint Vocational School District, Tuscarawas 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 of 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 the 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 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

December 18, 2000

**BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT
TUSCARAWAS COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Vocational Education Basic Grant CFDA #84.048
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	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

JIM PETRO, AUDITOR OF STATE

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

BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT

TUSCARAWAS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 11, 2001**