

**BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

GENERAL PURPOSE FINANCIAL STATEMENTS

(AUDITED)

FOR THE FISCAL YEAR ENDED

JUNE 30, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

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Board of Education
Bucyrus City School District
630 Jump Street
Bucyrus, Ohio 44820

We have reviewed the Independent Auditor's Report of the Bucyrus City School District, Crawford County, prepared by Trimble, Julian & Grube, Inc., for the audit period July 1, 1999 through June 30, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Bucyrus City School District is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

December 27, 2000

**BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

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Independent Auditor's Report

Board of Education
Bucyrus City School District
630 Jump Street
Bucyrus, Ohio 44820

We have audited the accompanying general purpose financial statements of the Bucyrus City School District, Crawford 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 Bucyrus City School District, Crawford County, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund type for the fiscal year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 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.

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

Trimble, Julian & Grube, Inc.
December 8, 2000

BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2000

	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Types	Account Groups			Total (Memorandum Only)		
	General	Special Revenue	Debt Service			Capital Projects	Trust and Agency	General		Long-Term Obligations	Total
								Fixed Assets		General	
ASSETS AND OTHER DEBITS											
ASSETS:											
Equity in pooled cash and cash equivalents . . .	\$745,578	\$393,564	\$18,266	\$27,842	\$118,305	\$38,120			1,341,675		
Receivables (net of allowances of uncollectibles):											
Property taxes - current and delinquent . . .	4,912,556								4,912,556		
Accounts	9,022				59				9,081		
Accrued interest	6,058								6,058		
Interfund loan receivable	10,000								10,000		
Due from other governments	1,200	115,478			368				117,046		
Prepayments.	36,373				504				36,877		
Materials and supplies inventory	83,573	6,322			45,180				135,075		
Restricted assets:											
Equity in pooled cash and cash equivalents	286,665								286,665		
Property, plant and equipment (net of accumulated depreciation where applicable).					16,575		\$9,695,426		9,712,001		
OTHER DEBITS:											
Amount available in Debt Service Fund . . .								\$18,266	18,266		
Amount to be provided for retirement of General Long-Term Obligations.								1,046,307	1,046,307		
Total assets and other debits	\$6,091,025	\$515,364	\$18,266	\$27,842	\$180,991	\$38,120	\$9,695,426	\$1,064,573	\$17,631,607		

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2000

	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Total (Memorandum Only)		
	General	Special Revenue	Debt Service			Capital Projects	Enterprise		Trust and Agency	General
										Fixed Assets
LIABILITIES, EQUITY AND OTHER CREDITS										
LIABILITIES:										
Accounts payable	\$18,117	\$12,271			\$726			\$31,114		
Accrued wages and benefits	1,284,289	90,898			51,879			1,427,066		
Compensated absences payable	23,693				37,941		\$797,682	859,316		
Pension obligation payable	174,664	8,560			25,435		96,891	305,550		
Interfund loan payable		10,000						10,000		
Deferred revenue	4,176,316				7,007			4,183,323		
Due to other governments						\$694		694		
Due to students						27,153		27,153		
Energy conservation notes payable							170,000	170,000		
General obligation notes payable	990,000							990,000		
Total liabilities	6,667,079	121,729	-	-	122,988	27,847	1,064,573	8,004,216		
EQUITY AND OTHER CREDITS:										
Investment in general fixed assets								9,695,426		
Retained earnings: unreserved					58,003			58,003		
Fund balances:										
Reserved for encumbrances	105,314	54,144		\$758				160,216		
Reserved for materials and supplies inventory	83,573	6,322						89,895		
Reserved for prepayments	36,373							36,373		
Reserved for debt service			\$18,266					18,266		
Reserved for tax revenue unavailable for appropriation	740,083							740,083		
Reserved for instructional materials	122,098							122,098		
Reserved for capital maintenance	16,067							16,067		
Reserved for budget stabilization	148,500							148,500		
Unreserved-undesignated	(1,828,062)	333,169		27,084		10,273		(1,457,536)		
Total equity and other credits	(576,054)	393,635	18,266	27,842	58,003	10,273	9,695,426	9,627,391		
Total liabilities, equity and other credits	\$6,091,025	\$515,364	\$18,266	\$27,842	\$180,991	\$38,120	\$9,695,426	\$17,631,607		

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Governmental Fund Types				Fiduciary Fund Type	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Revenues:						
From local sources:						
Taxes	\$4,174,034					\$4,174,034
Tuition	26,706					26,706
Earnings on investments	130,844	\$5,382		\$20	\$365	136,611
Other local revenues	80,808	240,544			2,291	323,643
Intergovernmental - State	6,001,221	359,446		37,369		6,398,036
Intergovernmental - Federal	19,176	670,613				689,789
Total revenues	10,432,789	1,275,985	-	37,389	2,656	11,748,819
Expenditures:						
Current:						
Instruction:						
Regular	4,995,353	182,241		21,335		5,198,929
Special	1,152,683	435,923				1,588,606
Vocational	175,251					175,251
Other	26,010	2,019				28,029
Support services:						
Pupil	396,401	22,183			3,000	421,584
Instructional staff	593,814	202,597		11,230		807,641
Board of Education	22,099					22,099
Administration	1,415,767	25,174				1,440,941
Fiscal	362,894					362,894
Business	100,249					100,249
Operations and maintenance	1,038,953					1,038,953
Pupil transportation	255,009	6,075				261,084
Central	66,453					66,453
Community services	75,086	95,101			1,000	171,187
Extracurricular activities	272,342	220,332				492,674
Facilities services	91,527			120,613		212,140
Debt service:						
Principal retirement	7,461		\$80,000			87,461
Interest and fiscal charges	49,709		14,250			63,959
Total expenditures	11,097,061	1,191,645	94,250	153,178	4,000	12,540,134
Excess (deficiency) of revenues over (under) expenditures	(664,272)	84,340	(94,250)	(115,789)	(1,344)	(791,315)
Other financing sources (uses):						
Operating transfers in	75,000	1,314	94,250			170,564
Operating transfers out	(220,564)					(220,564)
Proceeds from sale of assets	14,999					14,999
Total other financing sources (uses)	(130,565)	1,314	94,250	-	-	(35,001)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	(794,837)	85,654	0	(115,789)	(1,344)	(826,316)
Fund balance, July 1, 1999	217,956	308,110	18,266	143,631	11,617	699,580
Increase (decrease) in reserve for inventory	827	(129)				698
Fund balance (Deficit), June 30, 2000	(\$576,054)	\$393,635	\$18,266	\$27,842	\$10,273	(\$126,038)

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	General			Special Revenue			Debt Service			Capital Projects			Total (Memorandum only)			
	Revised	Actual	Variance: Favorable (Unfavorable)	Revised	Actual	Variance: Favorable (Unfavorable)	Budget	Actual	Variance: Favorable (Unfavorable)	Budget	Actual	Variance: Favorable (Unfavorable)	Budget	Actual	Variance: Favorable (Unfavorable)	
	Budget			Budget			Revised			Revised			Revised			
Revenues:																
From local sources:																
Taxes.....	\$4,923,011	\$4,907,821	(\$15,190)													
Tuition.....	24,350	24,275	(75)													
Earnings on investments.....	107,095	106,765	(330)	\$5,200	\$5,123	(\$77)										
Other local revenues.....	56,235	56,061	(174)	240,459	236,912	(3,547)				\$37	\$20	(\$17)				
Intergovernmental - State.....	6,018,591	6,000,021	(18,570)	364,827	359,446	(5,381)				421,190	227,831	(193,359)				
Intergovernmental - Federal.....	22,414	22,345	(69)	648,757	639,182	(9,575)										
Total revenues.....	11,151,696	11,117,288	(34,408)	1,259,243	1,240,663	(18,580)				421,227	227,851	(193,376)				
Expenditures:																
Current:																
Instruction:																
Regular.....	5,173,788	4,943,100	230,688	231,062	193,620	37,442				24,821	22,519	2,302				
Special.....	1,174,661	1,122,285	52,376	551,816	463,397	89,419										
Vocational.....	244,539	233,636	10,903													
Other.....	27,224	26,010	1,214	2,411	2,020	391										
Support services:																
Pupil.....	403,666	385,667	17,999	61,866	51,841	10,025										
Instructional staff.....	609,444	582,270	27,174	245,922	206,073	39,849										
Board of Education.....	23,111	22,081	1,030	30,031	25,165	4,866										
Administration.....	1,444,177	1,379,784	64,393													
Fiscal.....	376,541	359,752	16,789													
Business.....	122,131	116,685	5,446													
Operations and maintenance.....	1,140,035	1,089,203	50,832													
Pupil transportation.....	275,497	263,213	12,284	7,250	6,075	1,175										
Central.....	65,406	62,490	2,916													
Community services.....	81,798	78,151	3,647	117,338	98,324	19,014										
Extracurricular activities.....	290,701	277,739	12,962	269,425	225,766	43,659										
Facilities services.....	98,809	94,403	4,406													
Debt service:																
Principal retirement.....				\$380,000	\$380,000	\$0										
Interest and fiscal charges.....				63,840	63,840	0										
Total expenditures.....	11,551,528	11,036,469	515,059	1,517,121	1,271,281	245,840				226,580	205,564	21,016				
Excess (deficiency) of revenues over (under) expenditures.....	(399,832)	80,819	480,651	(257,878)	(30,618)	227,260				194,647	22,287	(172,360)				
Other financing sources (uses):																
Refund of prior year's expenditures.....	42,196	42,066	(130)	1,143	1,126	(17)										
Refund of prior year's receipts.....				(4,367)	(3,659)	708										
Operating transfers in.....	632,002	630,052	(1,950)	74,266	73,171	(1,095)										
Operating transfers (out).....	(1,177,718)	(1,125,206)	52,512	(85,753)	(71,857)	13,896				443,840	443,840	0				
Advances in.....	336,037	335,000	(1,037)	172,545	170,000	(2,545)										
Advances (out).....	(308,767)	(295,000)	13,767	(184,974)	(155,000)	29,974				(60,623)	(55,000)	5,623				
Proceeds of sale of fixed assets.....	15,045	14,999	(46)													
Total other financing sources (uses).....	(461,205)	(398,089)	63,116	(27,140)	13,781	40,921				(60,623)	(55,000)	5,623				
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses).....	(861,037)	(317,270)	543,767	(285,018)	(16,837)	268,181				134,024	(32,713)	(166,737)				
Fund balances, July 1, 1999.....	861,036	861,036	0	304,752	304,752	0				(133,580)	(133,580)	0				
Prior year encumbrances appropriated.....	84,716	84,716	0	29,897	29,897	0				193,378	193,378	0				
Fund balances, June 30, 2000.....	\$84,715	\$628,482	\$543,767	\$49,631	\$317,812	\$268,181				\$193,822	\$27,085	(\$166,737)				
				\$18,266	\$18,266	\$0				\$346,434	\$991,645	\$645,211				

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Proprietary Fund Type
	Enterprise
Operating revenues:	
Tuition and fees	\$35,455
Sales/charges for services.	357,768
Total operating revenues.	393,223
Operating expenses:	
Personal services	427,477
Contract services	20,807
Materials and supplies.	376,908
Depreciation.	17,396
Total operating expenses	842,588
Operating loss	(449,365)
Nonoperating revenues (expenses):	
Operating grants	272,803
Federal commodities	39,902
Interest revenue.	2,708
Loss on sale of assets.	(1,359)
Total nonoperating revenues	314,054
Net loss before operating transfers	(135,311)
Operating transfers in	125,000
Operating transfers (out).	(75,000)
Net loss	(85,311)
Retained earnings, July 1, 1999.	143,314
Retained earnings, June 30, 2000.	\$58,003

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Proprietary Fund Type
	Enterprise
Cash flows from operating activities:	
Cash received from tuition and fees	\$35,396
Cash received from sales/service charges.	357,768
Cash payments for personal services	(420,252)
Cash payments for contract services	(20,551)
Cash payments for materials and supplies	(336,721)
Net cash used in operating activities.	(384,360)
Cash flows from noncapital financing activities:	
Cash received from operating grants.	335,613
Transfers in from other funds.	125,000
Transfers (out) to other funds.	(75,000)
Cash received from interfund loans.	125,000
Cash payments used in repayment of interfund loans.	(125,000)
Net cash provided by noncapital financing activities.	385,613
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(2,350)
Net cash used in capital and related financing activities.	(2,350)
Cash flows from investing activities:	
Interest received	2,708
Net cash provided by investing activities.	2,708
Net increase in cash and cash equivalents.	1,611
Cash and cash equivalents at beginning of year.	116,694
Cash and cash equivalents at end of year	\$118,305
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss.	(\$449,365)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	17,396
Federal donated commodities	39,902
Changes in assets and liabilities:	
Decrease in materials and supplies inventory.	3,510
Increase in accounts receivable.	(59)
Increase in prepayments	(2)
Decrease in accounts payable	(51)
Increase in accrued wages and benefits	7,803
Increase in compensated absences payable.	6,671
Decrease in pension obligation payable.	(7,247)
Decrease in deferred revenue	(2,918)
Net cash used in operating activities.	(\$384,360)

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

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

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Bucyrus City School District (the "District") is located in central Crawford County in north central Ohio, approximately 65 miles north of Columbus. The District operates under a locally-elected, five-member Board form of government, and provides educational services as mandated by state and/or federal statute and regulations.

The District is organized under Sections 2 and 3, Article VI of the Constitution of the State of Ohio. Under such laws, there is no authority for a school district to have a charter or adopt local laws. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four year terms.

The District ranks as the 296th largest by enrollment among the 660 public and community school districts in the State. It currently operates 5 elementary schools, 1 middle school, and 1 comprehensive high school. The District employs 77 non-certified, 141 certified, and 17 administrative full-time and part-time employees to provide services to approximately 1,916 students in grades K through 12, and various community groups.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Bucyrus City 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 District's significant accounting policies are described below.

**BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

A. The Reporting Entity

The District's reporting entity has been defined in accordance with GASB Statement No. 14, The Financial Reporting Entity, effective for financial statements for periods beginning after December 15, 1992. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District. Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes for the organization. The financial statements of the reporting entity include only those of the District (the primary government). The District has no component units. The following organizations are described due to their relationship to the District.

Jointly Governed Organization:

Pioneer Career and Technical Center - The District and other member districts may send students to the JVS on a non-tuition basis for vocational education programs, but none of the member districts retain an ongoing financial interest in the JVS.

**BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Joint Venture Without Equity Interest:

North Central Ohio Computer Cooperative - NCOCC is a joint venture among 21 school districts and 3 county boards of education. The joint venture was formed for the purpose of applying modern technology (with the aid of computers and other electronic technology) to the administrative and instructional functions of member districts. Each of the governments of these schools supports NCOCC based upon a per pupil charge, dependent upon the software package utilized. In the event of dissolution of the organization, all current members will share in net obligations or asset liquidations in a ratio proportionate to their last twelve months' financial contribution. NCOCC is governed by a Board of Directors consisting of superintendents of the member school districts. The degree of control exercised by any school district is limited to its representation on the Board. In accordance with GASB Statement No. 14, the District does not have any equity interest in NCOCC, because a residual interest in the net resources of a joint venture upon dissolution is not equivalent to an equity interest. Financial information is available from Jerry Payne, Treasurer for the Pioneer Career and Technology JVSD (fiscal agent), at 27 Ryan Road, Shelby, Ohio 44875-0309.

Potential Component Unit Reported as an Agency Fund:

City of Bucyrus D.A.R.E. Program - The District acts as fiscal agent for this community drug awareness and education program. The Police Department of the City of Bucyrus performs all activities related to the program, and all monies are received and disbursed on their behalf by the Treasurer of the District. The District reflects this fiduciary responsibility in its financial report as an Agency Fund.

Group Purchasing Cooperative:

The District is a member of the Metropolitan Educational Council (MEC) purchasing group. The following items are purchased through this group discount program; custodial products, food service products, audio visual bulbs, and certain paper products. The MEC also provides a Self-Help Gas Program through which members save significant amounts on natural gas purchases.

**BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The District is also a participant in a public entity risk sharing pool, discussed in Note 12.

B. Fund Accounting

The District uses funds and account groups to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions. Funds are classified into three categories: Governmental, Proprietary and Fiduciary. Each category is divided into separate fund types.

GOVERNMENTAL FUNDS

Governmental Funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities (except those accounted for in Proprietary funds) are accounted for through Governmental funds. The following are the District's Governmental Fund Types:

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

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditures 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 debt principal, interest, and related costs.

**BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Capital Projects Funds - The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

PROPRIETARY FUNDS

Proprietary Funds are used to account for the District's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. The following are the District's Proprietary Fund Types:

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

FIDUCIARY FUNDS

Trust and Agency Funds - These funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include Expendable Trust and Agency Funds. Expendable trusts are accounted for in essentially the same manner as Governmental funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds are reported on a cash basis, with note disclosure regarding items which, in other fund types, would be subject to accrual.

**BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

ACCOUNT GROUPS

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

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

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

C. Measurement Focus/Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental funds and the Expendable Trust fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (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 operations of these funds are included on the balance sheet. Proprietary Fund Type operating statement presents increases (revenues) and decreases (expenses) in net total assets.

**BUCYRUS CITY SCHOOL DISTRICT
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The modified accrual basis of accounting is followed for Governmental and Expendable Trust funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period, which for the District is sixty days after the June 30 year-end. Revenues accrued at the end of the year include interest, tuition, grants and entitlements (to the extent such grants and entitlements relate to the current fiscal year), and accounts (student fees and rent). Current property taxes measurable as of June 30, 2000, and which are intended to finance fiscal 2001 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at year-end. Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 2000, are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year-end.

The District reports deferred revenue 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. Deferred revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Expenditures (decreases in net financial resources) are recognized in the period in which the fund liability is incurred with the following exceptions: general long-term obligations principal and interest are reported only when due; and the costs of accumulated unpaid vacation and sick leave are reported as expenditures in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in Governmental funds.

**BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The Proprietary funds are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense, with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenues.

D. Budgets

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. The specific timetable for fiscal year 2000 is as follows:

1. 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 expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the Board-adopted budget is filed with the Crawford County Budget Commission for tax rate determination.

**BUCYRUS CITY SCHOOL DISTRICT
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final Amended Certificate issued for fiscal year 2000.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund, function, and object level of expenditures for the General fund and at the fund level for all other funds, which is the legal level of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Resolution appropriations 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.
5. All funds, other than Agency funds, are legally required to be budgeted and appropriated. Short-term interfund loans are not required to be budgeted since they represent a temporary cash flow resource, and are intended to be repaid.
6. Any revisions that alter the total of any fund appropriation for funds other than the General Fund or alter total function appropriations within a fund, or alter object appropriations within functions for the General Fund must be approved by the Board of Education.
7. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All departments/functions and funds completed the year within the amount of their legally authorized cash basis appropriation.

**BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

8. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated or increased the original appropriated amounts. All supplemental appropriations during fiscal 2000 were legally enacted by the Board as follows:

	<u>Increase</u>	<u>(Decrease)</u>
General	\$ 0	\$(33,530)
Special Revenue	187,867	---
Capital Projects	2,740	---
Enterprise	121,788	---
Expendable Trust	<u>10,885</u>	<u>---</u>
 TOTAL	 <u>\$323,280</u>	 <u>\$(33,530)</u>

9. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Cash disbursements plus encumbrances may not legally exceed budgeted appropriations at the fund, function and/or object level.

Encumbrance accounting is utilized with District funds in the normal course of operations, for purchase orders and contract-related expenditures. An encumbrance is a reserve on the available spending authority due to commitment for a future expenditure and does not represent a liability. For Governmental Fund Types, encumbrances outstanding at year-end (not recognized as accounts payable) appear as a reserve to the fund balance on a GAAP basis and as the equivalent of expenditures on a non-GAAP budgetary basis in order to demonstrate legal compliance. Note 16 provides a reconciliation of the budgetary and GAAP basis of accounting. Encumbrances for Enterprise funds are disclosed in the Note 13 to the financial statements.

**BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds, including Proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in pooled cash, cash equivalents and Investments" (both unrestricted and restricted) on the combined balance sheet.

During fiscal 2000, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), certificates of deposit, federal agency securities, and repurchase agreements.

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

Calculation of the Net Increase in the Fair Value of Investments - Aggregate Method

Fair value at June 30, 2000	\$ 392,337
Add: Proceeds of investments matured during fiscal 1999	753,223
Less: Cost of investments purchased	(290,200)
Fair value at June 30, 1999	<u>(837,820)</u>
Change in fair value of investments	<u>\$ 17,540</u>

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

**BUCYRUS CITY SCHOOL DISTRICT
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

By policy of the Board of Education, interest revenue is allocated to the General fund, the Permanent Improvement fund, the Food Service fund, the Expendable Trust fund, Principals' (public school support) funds, the Student Activity funds, the Early Childhood Development fund, the Self-Insurance Reserve fund (included with General fund for reporting purposes), the Athletic fund and the Auxiliary Service fund. Interest revenue credited to the General fund during fiscal 2000 amounted to \$130,844, which includes \$39,360 assigned from other District funds.

An analysis of the Treasurer's investment account at year end is provided in Note 4.

F. Inventory

Inventories for all Governmental funds are valued at cost (first-in/first-out method). The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, material amounts of inventories at period-end are reported as assets of the respective fund, which are equally offset by a fund balance reserve which indicates they are unavailable for appropriation even though they are a component of reported assets.

Inventories of Proprietary funds are valued at the lower of cost (first-in/first-out method) or market and expensed when used rather than when purchased.

G. Prepayments

Prepayments for Governmental funds represent cash disbursements which have occurred and are therefore not current expendable resources. These items are reported as fund assets on the balance sheet using the allocation method, which amortizes their cost over the periods benefitting from the advance payment. At period-end, because prepayments are not available to finance future Governmental fund expenditures, the fund balance is reserved by an amount equal to the carrying value of the asset.

**BUCYRUS CITY SCHOOL DISTRICT
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

H. Fixed Assets and Depreciation

1. General Fixed Assets Account Group

General fixed assets are capitalized at cost or estimated historical cost and updated for the cost of additions and retirements during the year in the General Fixed Assets Account Group. Donated fixed assets are recorded at their fair market values as of the date donated. The District has a policy of not capitalizing assets with a cost of less than \$500 and a useful life of less than five years. 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, nor is interest on debt issued to construct or acquire general fixed assets. No depreciation is recognized for assets in the General Fixed Assets Account Group. The District has not included infrastructure in the General Fixed Asset Account Group.

2. Proprietary Funds

Equipment reflected in these funds are stated at historical cost (or estimated historical cost) and updated for the cost of additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date donated. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets.

Depreciation has been provided, where appropriate, on a straight-line basis over the following estimated useful lives (with an estimated 10% salvage value):

<u>Asset</u>	<u>Life (years)</u>
Buildings	25-50
Furniture, Fixtures and Minor Equipment	5-20
Vehicles	4-6

**BUCYRUS CITY SCHOOL DISTRICT
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

I. Intergovernmental Revenues

In Governmental funds, entitlements and non-reimbursable grants (to the extent such grants and entitlements relate to the current fiscal year) are recorded as receivables and revenue when measurable and available. Reimbursement-type grants are recorded as receivables and revenues when the related expenditures are incurred. Grants for Proprietary fund operations (excluding commodities) are recognized as revenue when measurable and earned. The District currently participates in various state and federal programs categorized as follows:

Entitlements

General Fund

State Foundation Program
State Property Tax Relief

Special Revenue Fund

Disadvantaged Pupil Impact Aid

Non-Reimbursable Grants

Special Revenue Funds

School Improvement Models
Teacher Development
Public School Preschool
Management Information Systems
School Net - Professional Development
Title II
Title VI-B
Title I
Title VI
Drug-Free Schools
Pre-school for the Handicapped
Auxiliary Services
Instructional Materials Subsidy

Non-Reimbursable Grants - (Cont'd)

Special Revenue Funds - (Cont'd)

Ohio Reads
Community Alternative Funding

Capital Project Funds

SchoolNet - Infrastructure
Emergency School Building Repair
Technology Equity

Reimbursable Grants

General Fund

School Bus Purchases
Driver Education
Vocational Education Travel/Salary

Special Revenue Funds

Underground Storage Tank
Telecommunications

Proprietary Funds

National School Lunch Program
Special Milk Program
National School Breakfast Program
Summer Food Service Program
Donated Food Commodities

**BUCYRUS CITY SCHOOL DISTRICT
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Grants and entitlements amounted to over 59% of the District's operating revenue during the 2000 fiscal year.

J. Compensated Absences

Compensated absences of the District consist of vacation leave and severance liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

In accordance with the provisions of GASB Statement No. 16, Accounting for Compensated Absences, a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for severance is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees age fifty or greater with at least ten years of service; or twenty years' service at any age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and severance payments have been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

Accumulated vacation and severance liability of Governmental Fund Type employees meeting the above requirements have been recorded in the appropriate Governmental fund as a current liability to the extent that the amounts are expected to be payable within the current available period. The balance of the liability is recorded in the General Long-Term Obligations Account Group. Vacation and severance liability for employees meeting the above requirements who are paid from Proprietary funds is recorded as an expense when earned.

**BUCYRUS CITY SCHOOL DISTRICT
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

K. 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, compensated absences and contractually required pension contributions that will be paid from Governmental funds are reported as a liability in the General Long-Term Obligations Account Group to the extent that they will not be paid with current available expendable financial resources. Payments made more than sixty days after year-end are generally considered not to have been paid with current available financial resources. Bonds, capital leases, and long-term loans 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.

L. Fund Equity

Reserved fund balances indicate that a portion of fund equity which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, materials and supplies inventory, prepayments, debt service, tax revenue unavailable for appropriation, instructional materials, capital maintenance, and budget stabilization. The reserve for property taxes represent taxes recognized as revenue under GAAP, but not available for appropriation under State statute. The unreserved portions of fund equity reflected for the Governmental funds are available for use within the specific purposes of those funds.

**BUCYRUS CITY SCHOOL DISTRICT
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

M. Statutory Reserves

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

	<u>Instructional Materials</u>	<u>Capital Maintenance</u>	<u>Budget Stabilization</u>
Balance 7/1/99	\$ 77,872	\$ 3,170	\$148,500
Required Set-Aside	244,927	244,927	---
Qualifying Expenditures	<u>(200,701)</u>	<u>(232,030)</u>	<u>---</u>
Balance 6/30/00	<u>\$ 122,098</u>	<u>\$ 16,067</u>	<u>\$148,500</u>

A schedule of the restricted assets at June 30, 2000 follows:

Amount restricted for instructional materials	\$122,098
Amount restricted for capital maintenance	16,067
Amount restricted for budget stabilization	<u>148,500</u>
Total restricted assets	<u>\$286,665</u>

N. Interfund Transactions

Transactions between funds during the normal course of operations may occur. These may include:

1. Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded as operating transfers, with the exception of agency funds, which do not report transfers of resources as operating transfers.

**BUCYRUS CITY SCHOOL DISTRICT
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

2. Reimbursements from one fund to another are treated as expenditures/expenses in the reimbursing fund and a reduction in expenditures/expenses in the reimbursed fund.
3. Short-term interfund loans made pursuant to Board of Education Resolution are reflected as “interfund loans receivable or payable.” Such interfund loans are repaid in the following fiscal year.
4. Quasi-external transactions are similar to the purchase of goods or services from a vendor; i.e., the fund which provides a service, records revenue, and the fund which receives that service, records an expenditure/expense.
5. Residual equity transfers are non-recurring or non-routine permanent transfers of equity, generally made when a fund is closed.
6. Long-term interfund loans that will not be repaid within the next year are termed “advances” and are shown as reservations of fund balances on the combined balance sheet for those funds that report advances to other funds as assets because they are not spendable, available resources.

An analysis of the District’s interfund transactions for fiscal year 2000 is presented in Note 5.

O. Statement of Cash Flows

In September 1989, GASB issued Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting. The District has presented a statement of cash flows for its Enterprise funds. For purposes of the statement of cash flows, the District considers cash equivalents to include all short term investments (maturity of 90 days or less from date of purchase).

**BUCYRUS CITY SCHOOL DISTRICT
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

P. Parochial Schools

Within the District boundaries, Holy Trinity is operated through the Toledo Catholic Diocese. Current state legislation provides funding to this parochial school. These monies are received and disbursed on behalf of the parochial school by the Treasurer of the District, as directed by the parochial school. The receipt and expenditure of these state monies by the District is reflected in a Special Revenue fund for financial reporting purposes.

Q. Financial Reporting for Proprietary and Similar Fund Types

The District's financial statements have been prepared in accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting. This Statement is effective for financial statements beginning after December 15, 1993. The District accounts for its proprietary activities in accordance with all applicable GASB pronouncements, as well as pronouncements of the Financial Accounting Standards Board (FASB) and its predecessors issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

R. Restricted Assets

Restricted assets in the General fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction and/or for statutorily-specified purposes. A fund balance reserve has also been established. See Note 2. M. for statutory reserves.

S. Estimates

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

**BUCYRUS CITY SCHOOL DISTRICT
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

T. Memorandum Only - Total Columns

Total columns on the General Purpose Financial Statements are captioned (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.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Deficit Fund Balances

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

	<u>Deficit Balance</u>
General Fund	\$(576,054)
<u>Special Revenue Fund</u>	
Miscellaneous Federal Grants	(8,308)

These GAAP deficits will be funded by anticipated future intergovernmental revenues or other subsidies not recognized and recorded at June 30. The General fund provides transfers for deficit balances; however, transfers are made when cash is needed rather than when accruals occur.

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS

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.

**BUCYRUS CITY SCHOOL DISTRICT
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, Notes, Debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

**BUCYRUS CITY SCHOOL DISTRICT
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and,
8. Under limited circumstances, corporate debt instruments 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 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.

Cash on Hand: At year end, the District had \$15 in undeposited cash on hand which is included on the combined balance sheet as part of "Equity in Pooled Cash and Cash Equivalents", but is not included in the total amount of deposits reported below.

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

**BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

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

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

Deposits: At year end, the carrying amount of the District's deposits was \$156,363 and the bank balance was \$287,012 (both amounts include the District's payroll clearance account as well as \$187,012 in non-negotiable certificates of deposit). Of the bank balance:

1. \$237,012 was covered by federal depository insurance.
2. \$50,000 was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District held to a successful claim by the FDIC.

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

	Category 3	Fair Value
Repurchase agreement	\$547,524	\$ 547,524
U. S. Gov't Agency Securities	392,337	392,337
Not Subject to Categorization:		
Investment in STAR Ohio	---	532,101
Total investments	<u>\$939,861</u>	<u>\$1,471,962</u>

The federal agency securities have maturities of August, 2000 through June, 2001.

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

**BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

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

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

A reconciliation between the classifications of equity in pooled cash and cash equivalents and investments on the combined balance sheet per GASB Statement No. 9, and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	<u>Equity in Pooled Cash and Cash Equivalents</u>	<u>Investments</u>
Per GASB Statement No. 9	\$1,628,340	\$ 0
Reclassifications:		
Repurchase agreement	(547,524)	547,524
STAR Ohio	(532,101)	532,101
U.S. Gov't Agency securities	(392,337)	392,337
Less: Cash on hand	(15)	---
Per GASB Statement No. 3	<u>\$ 156,363</u>	<u>\$1,471,962</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund balances at June 30, 2000, consist of the following individual interfund loans receivable and payable:

	<u>Interfund Receivable</u>	<u>Interfund (Payable)</u>
General Fund	\$10,000	\$ 0
<u>Special Revenue Fund</u>		
Miscellaneous Federal Grant	---	(10,000)
Total Interfund Receivables/Payables	<u>\$10,000</u>	<u>\$(10,000)</u>

**BUCYRUS CITY SCHOOL DISTRICT
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

B. The following is a reconciliation of the District's operating transfers for 2000.

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers (Out)</u>
General Fund	\$ 75,000	\$(220,564)
Debt Service Fund	94,250	---
<u>Special Revenue Fund</u>		
Public School Support	1,314	---
<u>Enterprise Fund</u>		
Food Service	<u>125,000</u>	<u>(75,000)</u>
Total Transfers In/Transfers (Out)	<u>\$295,564</u>	<u>\$(295,564)</u>

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Distributions from the second half of the calendar year occur in a new fiscal year and are intended to finance the operations of that year. Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the District.

Real property taxes and public utility taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at 35% of appraised market value.

Public utility property taxes are assessed on tangible personal property, as well as land and improvements. Real property is assessed at 35% of market value and personal property is assessed at 100% of market value, except for the personal property of rural electric companies, which is assessed 50% of market value, and railroads, which are assessed at 29%.

Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. Tangible personal property assessments are 25% of true value. The first \$10,000 of assessed value is exempt from taxation. The District receives a state subsidy in lieu of tax revenue which would otherwise have been collected.

**BUCYRUS CITY SCHOOL DISTRICT
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

NOTE 6 - PROPERTY TAXES - (Continued)

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

	1999 Second-Half Collections		2000 First-Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 93,569,180	69.24	\$ 94,260,930	73.73
Public Utility Personal	9,727,690	7.20	9,506,520	7.44
Tangible Personal Property	<u>31,846,406</u>	<u>23.56</u>	<u>24,072,618</u>	<u>18.83</u>
	<u>\$135,143,276</u>	<u>100.00</u>	<u>\$127,840,068</u>	<u>100.00</u>

Tax rate per \$1,000 of
assessed valuation:

Operations	\$47.95	\$48.60
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Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with the remainder payable by June 20.

The Crawford County Treasurer collects property tax on behalf of the District. The County Auditor periodically remits to the District its portion of the taxes collected. These tax "advances" are based on statutory cash flow collection rates. Final "settlements" are made each February and August.

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, they are not (exclusive of real tax advances of the August settlement available June 30) intended to finance current year operations. The net receivable (total receivable less amount available intended to finance the current year) is therefore offset by a credit to deferred revenue.

**BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

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

NOTE 6 - PROPERTY TAXES - (Continued)

Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 2000, are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year-end. Available tax advances at June 30, 2000, totaled \$740,083 in the General fund.

NOTE 7 - RECEIVABLES

Receivables at June 30, 2000, consisted of taxes, accounts (rent and student fees), interest, and intergovernmental grants and entitlements (to the extent such grants and entitlements relate to the current fiscal year). All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of Federal funds. A summary of the principal items of receivables follows:

	<u>Amounts</u>
<u>General Fund</u>	
Taxes - current and delinquent	\$4,912,556
Accounts	9,022
Interfund loan	10,000
 <u>Special Revenue Funds</u>	
Due From Other Governments	115,478

**BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

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

NOTE 8 - FIXED ASSETS

A summary of the changes in the General Fixed Asset Account Group during the fiscal year follows:

	<u>Balance</u> <u>July 1, 1999</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2000</u>
Land/Improvements	\$ 81,836	\$ 0	\$ 0	\$ 81,836
Buildings	4,805,758	283,067	---	5,088,825
Furniture/Equipment	2,628,350	103,430	(50,905)	2,680,875
Vehicles	622,038	14,000	---	636,038
Textbooks	1,207,852	---	---	1,207,852
Construction in Progress	<u>31,876</u>	<u>0</u>	<u>(31,876)</u>	<u>0</u>
Total	<u>\$9,377,710</u>	<u>\$400,497</u>	<u>\$(82,781)</u>	<u>\$9,695,426</u>

A summary of the Proprietary Funds fixed assets at June 30, 2000 follows:

	<u>Proprietary</u>
Furniture and Equipment	\$ 293,097
Less Accumulated Depreciation	<u>(276,522)</u>
Net Fixed Assets	<u>\$ 16,575</u>

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

**BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

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

NOTE 9 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In prior years, the District has entered into capitalized leases for the acquisition of a copier.

The terms of each agreement provide options to purchase the equipment. Each lease meets 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 at the conclusion of the lease term. Capital lease payments have been reclassified and are reflected as debt service expenditures in the Combined Financial Statement of Revenues, Expenditures and Changes in Fund Balances for Governmental Fund Types and Expendable Trust Funds. These expenditures are reflected as program/function expenditures on a budgetary basis. General fixed assets acquired by lease have been capitalized in the General Fixed Asset Account Group in the amount of \$94,671, which is equal to the present value of the future minimum lease payments as of the date of their inception. A corresponding liability was recorded in the General Long-Term Obligations Account Group. Principal payments in the 2000 fiscal year totaled \$7,461, which retired the District's capital lease obligation. The District exercised its bargain purchase option, and took title to the equipment. This amount is reflected as debt service principal retirement in the General fund.

NOTE 10 - NOTES PAYABLE

During fiscal 2000, the District retired \$300,000 in tax-anticipation note liability. The tax anticipation note was issued in anticipation of revenues from voted tax levies, in accordance with O.R.C. 5705.194. Proceeds have been used for general operating expenses of the District. This note is a general obligation of the District, for which the District's full faith and credit are pledged for repayment. This note is presented as a liability of the General Fund, which received the proceeds upon issuance.

The following is a description of the District's general obligation notes payable as of June 30, 2000:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	Notes	Notes	<u>Retired in 2000</u>	<u>Outstanding 06/30/00</u>
				<u>Original Amount</u>	<u>Outstanding 06/30/99</u>		
Tax Anticipation Note	4.35%	11/01/97	12/01/02	<u>\$1,575,000</u>	<u>\$1,290,000</u>	<u>\$(300,000)</u>	<u>\$990,000</u>
Total				<u>\$1,575,000</u>	<u>\$1,290,000</u>	<u>\$(300,000)</u>	<u>\$990,000</u>

**BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

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

NOTE 11 - LONG-TERM OBLIGATIONS

On July 1, 1992, the District issued \$687,000 in Energy Conservation Notes, in accordance with the authority granted by H.B. 264.

Energy conservation notes outstanding are long-term general obligations of the District, for which the District's full faith and credit are pledged for repayment. Accordingly, these notes are accounted for in the General Long-Term Obligations Account Group. Payments of principal and interest relating to these notes are recorded as expenditures in the Debt Service fund; however, unlike general obligation notes, H.B. 264 allows for the issuance of energy conservation notes without voter approval, and the subsequent repayment of the notes from operating revenues.

A. The following is a description of the District's long-term energy conservation notes outstanding as of June 30, 2000:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Balance 06/30/99</u>	<u>Retired in Fiscal 2000</u>	<u>Balance 06/30/00</u>
Energy Conservation Notes	5.70%	07/01/92	06/01/02	<u>\$687,000</u>	<u>\$250,000</u>	<u>\$(80,000)</u>	<u>\$170,000</u>
				<u>\$687,000</u>	<u>\$250,000</u>	<u>\$(80,000)</u>	<u>\$170,000</u>

B. The following is a summary of the District's future annual debt service requirements to maturity for the energy conservation bonds:

<u>Year Ending June 30</u>	<u>Principal on Energy Conservation Notes</u>	<u>Interest on Energy Conservation Notes</u>	<u>Total</u>
2001	\$ 85,000	\$ 9,690	\$ 94,690
2002	<u>85,000</u>	<u>4,845</u>	<u>89,845</u>
Total	<u>\$170,000</u>	<u>\$14,535</u>	<u>\$184,535</u>

**BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

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

NOTE 11 - LONG-TERM DEBT - (Continued)

C. During the year ended June 30, 2000, the following changes occurred in liabilities reported in the General Long-Term Obligations Account Groups. Compensated absences will ultimately be paid from the fund from which the employee is paid.

	<u>Balance</u> <u>July 1, 1999</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2000</u>
Compensated Absences	\$ 674,799	\$356,231	\$(233,348)	\$ 797,682
Pension Benefit Obligation	77,281	96,891	(77,281)	96,891
Energy Conservation Notes	250,000	---	(80,000)	170,000
Capital Leases	<u>7,461</u>	<u>---</u>	<u>(7,461)</u>	<u>0</u>
Total	<u>\$1,009,541</u>	<u>\$453,122</u>	<u>\$(398,090)</u>	<u>\$1,064,573</u>

D. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code further provides that unvoted indebtedness for energy conservation measures shall not exceed 9/10 of 1% of the property valuation of the District.

The effects of these debt limitations at June 30, 2000, are a voted debt margin of \$11,523,872 (including available funds of \$18,266) and an unvoted debt margin of \$127,840, and an unvoted energy conservation debt margin of \$980,561.

**BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

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

NOTE 12 - RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, injuries to employees and natural disasters. During fiscal year 2000, the District has purchased property and casualty insurance from the Cincinnati Insurance Company; the policy's coverage maximum is \$33,000,000. General liability insurance, purchased from Nationwide Insurance Company, carries a \$2,000,000 single occurrence limit and a \$5,000,000 aggregate. District-owned vehicle insurance is provided by Motorists Insurance Company, with a \$2,000,000 single occurrence limit; an umbrella policy for vehicles has also been purchased from Nationwide. Coverage limits are \$1,000,000 per occurrence, \$5,000,000 aggregate.

B. Group Health and Dental Insurance

Health, life, dental and other group insurance is offered to employees as a fringe benefit. Employer and employee contributions to premium are determined by negotiated agreements with employee labor unions (currently, single and family coverage is 95% Board-paid and 5% employee-paid).

While all benefit plans are traditionally-funded through common carriers, the Board's group health plan contains provisions for discounted amounts to be remitted to the carrier during the year (90% of the carrier-established premium for fiscal 2000), contingent upon the group's claims experience for the year. While the District has not retained risk for any claims, should the group's claim costs for the year exceed the threshold of the discounted amount remitted to the carrier during the year, the District must remit additional premium, to a maximum of the difference between the discounted premium and the full premium.

Post employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 15. As such, no funding provisions are required by the District.

**BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

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

NOTE 12 - RISK MANAGEMENT - (Continued)

C. OSBA Worker's Compensation Group Rating

For fiscal year 2000, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then, either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

**BUCYRUS CITY SCHOOL DISTRICT
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

NOTE 13 - SEGMENT INFORMATION - ENTERPRISE FUNDS

The District maintains three Enterprise funds to account for the operations of food service, uniform school supplies, and preschool programs. The table below reflects, in a summarized format, the more significant financial data relating to the Enterprise Funds of the District as of and for the year ended June 30, 2000.

	<u>Food Service</u>	<u>Uniform Supplies</u>	<u>Preschool</u>	<u>Total</u>
Operating Revenue	\$ 357,768	\$22,351	\$13,104	\$ 393,223
Depreciation	16,717	---	679	17,396
Operating Income (Loss)	(471,072)	20,189	1,518	(449,365)
Non-operating Revenue				
Operating grants	272,803	---	---	272,803
Donated federal commodities	39,902	---	---	39,902
Operating Transfers:				
In	125,000	---	---	125,000
(Out)	(75,000)	---	---	(75,000)
Net Income (Loss)	(107,968)	20,189	2,468	(85,311)
Net Working Capital	13,448	31,899	32,731	78,078
Fixed Assets:				
Additions	2,350	---	---	2,350
Disposals	1,815	---	---	1,815
Total Assets	113,138	31,899	35,954	180,991
Long-term liabilities				
payable from fund revenues	36,650	---	---	36,650
Total Fund Equity	(9,329)	31,899	35,433	58,003
Encumbrances Outstanding				
as of 6/30/00	17,748	---	541	18,289

**BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides basic retirement and disability benefits, cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate, which was 14 percent for 2000; 5.55 percent was the portion to fund pension obligations. The contribution rates of plan members and employers are established and may be amended by the School Employees Retirement Board, up to maximum amounts allowed by State statute. The adequacy of the contribution rates is determined annually. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$275,845, \$252,427, and \$198,128, respectively; 53 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$128,940, which represents the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds and the General Long-Term Obligations Account Group.

B. State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

**BUCYRUS CITY SCHOOL DISTRICT
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$928,238, \$891,365, and \$849,402, respectively; 84 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$146,300, which represents the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2000, three members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 15 - POSTEMPLOYMENT BENEFITS

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

**BUCYRUS CITY SCHOOL DISTRICT
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 15 - POSTEMPLOYMENT BENEFITS - (Continued)

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients are required to pay a portion of health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For this fiscal year, the Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$530,422 during the 2000 fiscal year.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$2.783 billion at June 30, 1999. As of July 1, 1999, eligible benefit recipients totaled 95,796. For the fiscal year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000.

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

For this fiscal year, employer contributions to fund health care benefits were 8.45 percent of covered payroll, an increase from 6.30 percent for fiscal year 1999. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 1999, were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999 SERS had net assets available for payment of health care benefits of \$188 million. SERS has approximately 51,000 participants currently receiving health care benefits. For the School District, the amount to fund health care benefits, including the surcharge, equaled \$143,511 during the 2000 fiscal year.

**BUCYRUS CITY SCHOOL DISTRICT
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The Combined Statement of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis).
- (d) Proceeds from and principal payments on bond and revenue anticipation notes are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
- (e) The District repays short-term note debt from the Debt Service fund (budget basis) as opposed to the fund that received the proceeds (GAAP basis). Debt Service fund resources used to pay both principal and interest have been reclassified accordingly.

**BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

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

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the Governmental funds are as follows:

**Excess (Deficiency) of Revenues and Other Financing
Sources Over (Under) Expenditures and Other
Financing Uses**

	Governmental Fund Types			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Budget Basis	\$(317,270)	\$ (16,837)	\$ 0	\$ (32,713)
Net Adjustment for Revenue Accruals	(692,267)	35,322	---	(190,462)
Net Adjustment for Expenditure Accruals	(183,533)	11,984	349,590	51,628
Net Adjustment for Other Sources/Uses	267,524	(12,467)	(349,590)	55,000
Net Adjustment for Funds Reclassification	7,768	2,050	---	---
Adjustment for Encumbrances	<u>122,941</u>	<u>65,602</u>	<u>---</u>	<u>758</u>
GAAP Basis	<u>\$(794,837)</u>	<u>\$ 85,654</u>	<u>\$ 0</u>	<u>\$(115,789)</u>

**BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

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

NOTE 17 - CONTINGENT LIABILITIES

A. Grants

The District receives significant financial assistance from numerous federal, state and local 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 effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 2000.

B. Litigation

The District is involved in no material litigation as either plaintiff or defendant.

C. 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 District. During the fiscal year ended June 30, 2000, the District received a total of \$5,517,405 in school foundation support for its General fund.

**BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

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

NOTE 17 - CONTINGENT LIABILITIES - (Continued)

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

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

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

NOTE 18 - SIGNIFICANT SUBSEQUENT EVENTS

The Board employed Paul Johnson as Superintendent effective July 1, 2000.

The Board employed Judy Stahl as Treasurer effective August 1, 2000.

SUPPLEMENTAL DATA

**BUCYRUS CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(E) CASH FEDERAL RECEIPTS	OTHER FEDERAL RECEIPTS	(E) CASH FEDERAL DISBURSEMENTS	OTHER FEDERAL DISBURSEMENTS
U. S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE <u>OHIO DEPARTMENT OF EDUCATION:</u>						
Nutrition Cluster:						
(A) (C) Food Distribution	10.550	N/A		\$34,643		\$39,902
(A) (D) School Breakfast Program	10.553	N/A	\$54,999		\$54,999	
(A) (D) National School Lunch Program	10.555	N/A	249,649		249,649	
(A) (D) Special Milk Program	10.556	N/A	4,062		4,062	
(A) (D) Summer Food Service Program	10.559	N/A	7,347		7,347	
Total Nutrition Cluster and U. S. Department of Agriculture			<u>316,057</u>	<u>34,643</u>	<u>316,057</u>	<u>39,902</u>
U. S. DEPARTMENT OF LABOR: PASSED THROUGH THE <u>OHIO DEPARTMENT OF EDUCATION:</u>						
School to Work Administration	17.249	N/A	0		1,939	
U. S. DEPARTMENT OF EDUCATION PASSED THROUGH THE <u>OHIO DEPARTMENT OF EDUCATION:</u>						
Title I - Grants to Local Educational Agencies	84.010	043687-C1-S1-99	163,949		225,013	
Title I - Grants to Local Educational Agencies	84.010	043687-C1-S1-99C	64,385		64,385	
Title I - Grants to Local Educational Agencies	84.010	043687-C1-S1-00	219,550		212,963	
Total Title I			<u>447,884</u>		<u>502,361</u>	
Special Education Cluster:						
(B) Title VI-B -Education of the Handicapped Act	84.027	043687-6B-SF-98 P	9,048		16,204	
(B) Title VI-B -Education of the Handicapped Act	84.027	043687-6B-SF-99 P	121,195		112,178	
Total Title VI-B			<u>130,243</u>		<u>128,382</u>	
(B) Special Education Preschool Grants	84.173	043687-PG-S1-98 P	0		1,639	
(B) Special Education Preschool Grants	84.173	043687-PG-S1-99 P	10,133		7,591	
Total Special Ed. Preschool Grants			<u>10,133</u>		<u>9,230</u>	
Total Special Education Cluster			<u>140,376</u>		<u>137,612</u>	
Safe and Drug-Free Schools Grants	84.186	043687-DR-S1-97C	0		387	
Safe and Drug-Free Schools Grants	84.186	043687-DR-S1-98C	0		204	
Safe and Drug-Free Schools Grants	84.186	043687-DR-S1-99	0		4,634	
Safe and Drug-Free Schools Grants	84.186	043687-DR-S1-00	2,401		0	
Total Safe and Drug-Free Schools Grant			<u>2,401</u>		<u>5,225</u>	
Goals 2000	84.276	043687-G2-S8-00	3,000		1,172	
Eisenhower Professional Development Grant	84.281	043687-MS-S1-99	0		4,000	
Eisenhower Professional Development Grant	84.281	043687-MS-S1-99C	0		3,157	
Eisenhower Professional Development Grant	84.281	043687-MS-S1-00	3,306		729	
Total Eisenhower Professional Development Grant			<u>3,306</u>		<u>7,886</u>	
Title VI - Innovative Educational Program Strategies	84.298	043687-C2-S1-98C	0		1,815	
Title VI - Innovative Educational Program Strategies	84.298	043687-C2-S1-99	0		6,677	
Title VI - Innovative Educational Program Strategies	84.298	043687-C2-S1-99C	1,452		0	
Title VI - Innovative Educational Program Strategies	84.298	043687-C2-S1-00	3,107		0	
Total Title VI-Innovative Educational Program Strategies			<u>4,559</u>		<u>8,492</u>	
Class Size Reduction	84.340	043687-CR-S1-00	37,655		45,633	
Total U. S. Department of Education			<u>639,181</u>		<u>708,381</u>	
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED THROUGH THE OHIO DEPARTMENT OF MENTAL <u>RETARDATION AND DEVELOPMENTAL DISABILITIES:</u>						
Community Alternative Funding System Program	93.778	N/A	20,838		20,838	
Total Federal Financial Assistance			<u>\$976,076</u>	<u>\$34,643</u>	<u>\$1,047,215</u>	<u>\$39,902</u>

- (A) Included as part of "Nutrition Grant Cluster" in determining major programs.
 (B) Included as part of "Special Education Grant Cluster" in determining major programs.
 (C) The Food Distribution Program is a noncash, in kind, federal grant. Commodities are valued at fair market prices.
 (D) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.
 (E) This schedule was prepared on a cash basis.

TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

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Report on Compliance and on Internal Control Required by *Government Accounting Standards*

Board of Education
Bucyrus City School District
630 Jump Street
Bucyrus, Ohio 44820

We have audited the general purpose financial statements of Bucyrus City School District as of and for the year ended June 30, 2000, and have issued our report thereon dated December 8, 2000. 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 Bucyrus City School District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of Bucyrus City School District in a separate letter dated December 8, 2000.

Board of Education
Bucyrus City School District

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Bucyrus City School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of Bucyrus City School District in a separate letter dated December 8, 2000.

This report is intended for the information and use of the management and Board of Education of the Bucyrus City School District 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.

Trimble, Julian & Grube, Inc.
December 8, 2000

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Report on Compliance With Requirements Applicable to Its Major Federal Program And Internal Control Over Compliance in Accordance With *OMB Circular A-133*

Board of Education
Bucyrus City School District
630 Jump Street
Bucyrus, Ohio 44820

Compliance

We have audited the compliance of Bucyrus City School 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. Bucyrus City School 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 Bucyrus City School District's management. Our responsibility is to express an opinion on Bucyrus City School 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, Audit 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 Bucyrus City School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Bucyrus City School District's compliance with those requirements.

In our opinion, Bucyrus City School 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.

Board of Education
Bucyrus City School District

Internal Control Over Compliance

The management of Bucyrus City School 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 Bucyrus City School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133*.

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

This report is intended for the information and use of management, the Board of Education of Bucyrus City School District, 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.

Trimble, Julian & Grube, Inc.
December 8, 2000

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505

BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY
JUNE 30, 2000

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported non-compliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any other reportable internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under § .510?</i>	No

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505

BUCYRUS CITY SCHOOL DISTRICT
CRAWFORD COUNTY
JUNE 30, 2000

1. SUMMARY OF AUDITOR'S RESULTS (Continued)

<i>(d)(1)(vii)</i>	<i>Major Program:</i>	Title I, CFDA #84.010
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



STATE OF OHIO
OFFICE OF THE AUDITOR

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BUCYRUS CITY SCHOOL DISTRICT

CRAWFORD 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 16, 2001**