CAMPBELL CITY SCHOOL DISTRICT
MAHONING COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2000

JIM PETRO
AUDITOR OF STATE
STATE OF OHIO

CAMPBELL CITY SCHOOL DISTRICT
MAHONING COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Campbell City School District
Mahoning County
280 Sixth Street
Campbell, Ohio 44405

To the Board of Education:

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2001 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Jim Petro
Auditor of State

February 7, 2001

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CAMPBELL CITY SCHOOL DISTRICT
MAHONING COUNTY

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2000

	Governmental Fund Types			
	General	**Special Revenue**	**Debt Service**	**Capital Projects**
ASSETS AND OTHER DEBITS				
ASSETS:				
Equity in pooled cash and cash equivalents	$1,047,660	$698,367	$107,630	$6,616,098
Equity in pooled cash and cash equivalents - nonexpendable trust fund				
Investments - nonexpendable trust fund. .				
Receivables (net of allowances of uncollectibles):				
Property taxes - current & delinquent . .	3,350,854	51,343	471,821	15,458
Accounts	30			
Accrued interest				
Interfund loan receivable	93,739			
Due from other governments		55,155		
Prepayments.	676			
Materials and supplies inventory				
Restricted assets:				
Equity in pooled cash and cash equivalents.	211,090			
Property, plant and equipment (net of accumulated depreciation where applicable)				
OTHER DEBITS:				
Amount available in debt service fund. . .				
Amount to be provided for retirement of general long-term obligations				
Total assets and other debits	**$4,704,049**	**$804,865**	**$579,451**	**$6,631,556**

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

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		
Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Obligations	Total (Memorandum Only)
$106,378	$25,296			$8,601,429
	2,130			2,130
	11,544			11,544
				3,889,476
				30
	865			865
				93,739
54,553				109,708
				676
11,535				11,535
				211,090
31,127		$5,124,918		5,156,045
			$107,630	107,630
			6,985,495	6,985,495
$203,593	**$39,835**	**$5,124,918**	**$7,093,125**	**$25,181,392**

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CAMPBELL CITY SCHOOL DISTRICT
MAHONING COUNTY

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2000
(Continued)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES, EQUITY AND OTHER CREDITS				
LIABILITIES:				
Accounts payable	$101,301	$4,188		$343,677
Accrued wages and benefits	688,983	75,113		3
Compensated absences payable	113,818	8,210		
Pension obligation payable	128,764	13,732		6
Interfund loan payable		93,739		
Deferred revenue	3,350,854	51,343	471,821	15,458
Due to other governments	21,229			
Due to students				
General obligation bonds payable				
Bond anticipation note payable				
Energy conservation notes payable				
Total liabilities	4,404,949	246,325	471,821	359,144
EQUITY AND OTHER CREDITS:				
Investment in general fixed assets				
Retained earnings: unreserved				
Fund balances:				
Reserved for encumbrances	68,328	34,567		
Reserved for debt service			107,630	
Reserved for budget stabilization	204,774			
Reserved for textbooks	6,316			
Reserved for prepayments	676			
Reserved for principal endowment				
Unreserved-undesignated (deficit)	19,006	523,973		6,272,412
Total equity and other credits	299,100	558,540	107,630	6,272,412
Total liabilities, equity and other credits	**$4,704,049**	**$804,865**	**$579,451**	**$6,631,556**

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

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		
Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Obligations	Total (Memorandum Only)
	$200			$449,366
$5,480				769,579
13,469			$519,778	655,275
14,953			75,424	232,879
				93,739
5,637				3,895,113
				21,229
	23,998			23,998
			3,090,300	3,090,300
			3,019,000	3,019,000
			388,623	388,623
39,539	24,198		7,093,125	12,639,101
		$5,124,918		5,124,918
164,054				164,054
				102,895
				107,630
				204,774
				6,316
				676
	14,339			14,339
	1,298			6,816,689
164,054	15,637	5,124,918		12,542,291
$203,593	**$39,835**	**$5,124,918**	**$7,093,125**	**$25,181,392**

CAMPBELL CITY SCHOOL DISTRICT
MAHONING COUNTY, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND FOR THE YEAR ENDED JUNE 30, 2000

	Governmental Fund Types				Fiduciary Fund Type	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	Total (Memorandum Only)
Revenues:						
From local sources:						
Taxes	$2,037,033	$14,508	$144,881			$2,196,422
Tuition	2,649					2,649
Earnings on investments	113,688	1,420				115,108
Other local revenues	27,829	137,241	2,500	$76,515	$3,200	247,285
Intergovernmental - State	6,324,844	642,489	15,114	965,218		7,947,665
Intergovernmental - Federal		527,665				527,665
Total revenue	8,506,043	1,323,323	162,495	1,041,733	3,200	11,036,794
Expenditures:						
Current:						
Instruction:						
Regular	4,573,759	122,082		19,103		4,714,944
Special	603,595	438,814				1,042,409
Vocational	181,563					181,563
Other	1,896	22,881				24,777
Support services:						
Pupil	277,900	72,568				350,468
Instructional staff	214,841	56,202				271,043
Board of Education	8,037					8,037
Administration	532,536	37,746				570,282
Fiscal	371,085	4,589	1,784	483		377,941
Business	39,564					39,564
Operations and maintenance	1,118,496	5,473				1,123,969
Pupil transportation	289,296					289,296
Central		4,671				4,671
Community services		2,649		5,349	5,000	12,998
Extracurricular activities	140,581	137,197				277,778
Facilities acquisition and construction				780,316		780,316
Intergovernmental pass-through		55,160				55,160
Debt service:						
Principal retirement			$81,567			81,567
Interest and fiscal charges			22,963			22,963
Total expenditures	8,353,149	960,032	106,314	805,251	5,000	10,229,746
Excess (deficiency) of revenues over (under) expenditures	152,894	363,291	56,181	236,482	(1,800)	807,048
Other financing sources (uses):						
Proceeds from sale of notes				3,019,000		3,019,000
Proceeds from sale of bonds				3,019,000		3,019,000
Operating transfers in			51,449			51,449
Operating transfers out	(51,449)					(51,449)
Other financing sources	926					926
Total other financing sources (uses)	(50,523)		51,449	6,038,000		6,038,926
Excess of revenues and other financing sources over (under) expenditures and other financing uses	102,371	363,291	107,630	6,274,482	(1,800)	6,845,974
Fund balances (deficit), July 1	196,729	195,249		(2,070)	3,098	393,006
Fund balances (deficit), June 30	**$299,100**	**$558,540**	**$107,630**	**$6,272,412**	**$1,298**	**$7,238,980**

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

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CAMPBELL CITY SCHOOL DISTRICT
MAHONING COUNTY, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2000

	General			Special Revenue		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
From local sources:						
Taxes	$2,042,800	$2,037,033	($5,767)	$16,845	$14,508	($2,337)
Tuition	2,657	2,649	(8)			
Earnings on investments	114,010	113,688	(322)	1,649	1,420	(229)
Other local revenues	30,198	30,113	(85)	159,344	137,240	(22,104)
Intergovernmental - State	6,366,522	6,348,547	(17,975)	734,357	632,489	(101,868)
Intergovernmental - Federal				560,224	482,511	(77,713)
Total revenues	8,556,187	8,532,030	(24,157)	1,472,419	1,268,168	(204,251)
Expenditures:						
Current:						
Instruction:						
Regular	4,621,250	4,595,727	25,523	728,224	114,634	613,590
Special	959,830	602,735	357,095	554,232	449,438	104,794
Vocational	205,000	184,239	20,761		14,487	(14,487)
Other	52,256	1,896	50,360	37,979	23,509	14,470
Support services:						
Pupil	341,189	298,534	42,655	129,367	75,083	54,284
Instructional staff	218,620	214,085	4,535	146,945	80,485	66,460
Board of Education	30,000	8,160	21,840			
Administration	687,397	561,126	126,271	45,663	37,198	8,465
Fiscal	342,961	373,239	(30,278)	3,910	1,773	2,137
Business	37,657	42,064	(4,407)			
Operations and maintenance	1,015,980	1,197,480	(181,500)	2,003	5,469	(3,466)
Pupil transportation	284,128	293,945	(9,817)	443		443
Central				11,703	4,767	6,936
Community services				16,856	4,301	12,555
Extracurricular activities	138,450	140,078	(1,628)	42,396	137,442	(95,046)
Facilities services	428,300		428,300			
Intergovernmental pass through				102,646	74,330	28,316
Debt service:						
Principal retirement						
Interest and fiscal charges						
Total expenditures	9,363,018	8,513,308	849,710	1,822,367	1,022,916	799,451
Excess (deficiency) of revenues over (under) expenditures	(806,831)	18,722	825,553	(349,948)	245,252	595,200
Other financing sources (uses):						
Operating transfers in	9,660	9,633	(27)	14,302	12,318	(1,984)
Operating transfers (out)	(102,898)	(61,083)	41,815		(12,318)	(12,318)
Advances in				108,836	93,739	(15,097)
Advances (out)		(93,740)	(93,740)			
Proceeds of sale of notes						
Proceeds of sale of bonds						
Other financing sources	926	926				
Total other financing sources (uses)	(92,312)	(144,264)	(51,952)	123,138	93,739	(29,399)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	(899,143)	(125,542)	773,601	(226,810)	338,991	565,801
Fund balances, July 1	959,793	959,793		214,234	214,234	
Prior year encumbrances appropriated	233,641	233,641		106,387	106,387	
Fund balances, June 30	**$294,291**	**$1,067,892**	**$773,601**	**$93,811**	**$659,612**	**$565,801**

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

Debt Service			Capital Projects			Total (Memorandum only)		
Budget Revised	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)
$144,881	$144,881					$2,204,526	$2,196,422	($8,104)
						2,657	2,649	(8)
			$75,798	$76,515	$717	191,457	191,623	166
						189,542	167,353	(22,189)
15,114	15,114		956,168	965,217	9,049	8,072,161	7,961,367	(110,794)
						560,224	482,511	(77,713)
159,995	159,995		1,031,966	1,041,732	9,766	11,220,567	11,001,925	(218,642)
			1,040	19,884	(18,844)	5,350,514	4,730,245	620,269
						1,514,062	1,052,173	461,889
						205,000	198,726	6,274
						90,235	25,405	64,830
						470,556	373,617	96,939
						365,565	294,570	70,995
						30,000	8,160	21,840
						733,060	598,324	134,736
	1,784	(1,784)		482	(482)	346,871	377,278	(30,407)
						37,657	42,064	(4,407)
			2,399		2,399	1,020,382	1,202,949	(182,567)
						284,571	293,945	(9,374)
						11,703	4,767	6,936
			16,869	7,955	8,914	33,725	12,256	21,469
						180,846	277,520	(96,674)
			62,523	577,504	(514,981)	490,823	577,504	(86,681)
79,099	79,099					79,099	79,099	
22,931	22,931					22,931	22,931	
102,030	103,814	(1,784)	82,831	605,825	(522,994)	11,370,246	10,245,863	1,124,383
57,965	56,181	(1,784)	949,135	435,907	(513,228)	(149,679)	756,062	905,741
51,449	51,449		6,415	6,476	61	81,826	79,876	(1,950)
				(6,475)	(6,475)	(102,898)	(79,876)	23,022
						108,836	93,739	(15,097)
							(93,740)	(93,740)
			2,990,695	3,019,000	28,305	2,990,695	3,019,000	28,305
			2,990,695	3,019,000	28,305	2,990,695	3,019,000	28,305
						926	926	
51,449	51,449		5,987,805	6,038,001	50,196	6,070,080	6,038,925	(31,155)
109,414	107,630	(1,784)	6,936,940	6,473,908	(463,032)	5,920,401	6,794,987	874,586
			18,182	18,182		1,192,209	1,192,209	
			36,239	36,239		376,267	376,267	
$109,414	**$107,630**	**($1,784)**	**$6,991,361**	**$6,528,329**	**($463,032)**	**$7,488,877**	**$8,363,463**	**$874,586**

CAMPBELL CITY SCHOOL DISTRICT
MAHONING COUNTY, OHIO

COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2000

	Proprietary Fund Type	Fiduciary Fund Type	
	Enterprise	Nonexpendable Trust	Total (Memorandum Only)
Operating revenues:			
Tuition and fees	$2,496		$2,496
Sales/charges for services	82,577		82,577
Investment earnings		$606	606
Total operating revenues	85,073	606	85,679
Operating expenses:			
Personal services	169,021		169,021
Contract services	15,457		15,457
Materials and supplies	198,698		198,698
Depreciation	3,011		3,011
Other operating expenses		400	400
Total operating expenses	386,187	400	386,587
Operating income (loss)	(301,114)	206	(300,908)
Nonoperating revenues:			
Operating grants	340,472		340,472
Interest revenue	4,043		4,043
Federal donated commodities	24,112		24,112
Total nonoperating revenues	368,627		368,627
Net income	67,513	206	67,719
Retained earnings/ fund balance at July 1, (as restated)	96,541	14,133	110,674
Retained earnings/ fund balance at June 30	**$164,054**	**$14,339**	**$178,393**

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

CAMPBELL CITY SCHOOL DISTRICT
MAHONING COUNTY, OHIO

COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2000

	Proprietary Fund Type	Fiduciary Fund Type	
	Enterprise	**Nonexpendable Trust**	**Total (Memorandum Only)**
Cash flows from operating activities:			
Cash received from tuition and fees	$2,496		$2,496
Cash received from sales/service charges	82,577		82,577
Cash payments for personal services	(164,715)		(164,715)
Cash payments for contract services.	(15,457)		(15,457)
Cash payments for supplies and materials.	(174,855)		(174,855)
Cash payments for other expenses.		($200)	(200)
Net cash used in operating activities	(269,954)	(200)	(270,154)
Cash flows from noncapital financing activities:			
Cash received from operating grants	338,265		338,265
Net cash provided by noncapital financing activities	338,265		338,265
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(770)		(770)
Net cash used in capital and related financing activities	(770)		(770)
Cash flows from investing activities:			
Interest received	4,043	413	4,456
Purchase of investments		(5)	(5)
Net cash provided by investing activities	4,043	408	4,451
Net increase (decrease) in cash and cash equivalents	71,584	208	71,792
Cash and cash equivalents at beginning of year	34,794	1,922	36,716
Cash and cash equivalents at end of year	**$106,378**	**$2,130**	**$108,508**
Reconciliation of operating income (loss) to net cash used in operating activities:			
Operating loss	($301,114)	$206	($300,908)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:			
Depreciation	3,011		3,011
Federal donated commodities	24,112		24,112
Interest reported as operating income		(413)	(413)
Changes in assets and liabilities:			
Increase in supplies inventory.	(605)		(605)
Increase in accrued interest receivable		(193)	(193)
Increase in accounts payable		200	200
Increase in accrued wages and benefits	1,429		1,429
Increase in compensated absences payable	60		60
Increase in pension obligation payable	2,817		2,817
Increase in deferred revenue.	336		336
Net cash used in operating activities	**($269,954)**	**($200)**	**($270,154)**

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

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1. DESCRIPTION OF THE SCHOOL DISTRICT

The Campbell City School District (the "District") is organized under Section 2 and 3, Article VI of the Constitution of the State of Ohio to provide educational services to the students and other community members of the District. Under such laws there is no authority for a school district to have a charter or adopt local laws. The legislative power of the School District is vested in the Board of Education, consisting of five members elected at large for staggered four year terms by the citizens of the District.

The District serves an area of approximately four square miles in Mahoning County, including all of the City of Campbell.

The District is the 372nd largest in the State of Ohio (among 660 public and community school districts) in terms of total enrollment. It currently operates one elementary school, one middle school, and one comprehensive high school. The District is staffed by 44 non-certificated and 108 certificated personnel to provide services to approximately 1,508 students and other community members.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The District's reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity". When applying GASB Statement No. 14, management has considered all potential component units. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the Board's ability to exercise significant oversight responsibility. The most significant manifestation of this ability is financial interdependence. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of the governing authority, the designation of management, the ability to significantly influence operations, and the accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the District and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, the District has no component units. The following organizations are described due to their relationship with the District:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

JOINTLY GOVERNED ORGANIZATIONS

Area Cooperative Computerized Educational Service System

The Area Cooperative Computerized Educational Service System (ACCESS) is a joint venture among 22 school districts and 2 county boards of education. The joint venture was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions among member districts. Each of the governments of these schools supports ACCESS 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.

ACCESS is governed by a Board of Directors consisting of superintendents of the members 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 ACCESS as a residual interest in the net resources of a joint venture upon dissolution is not equivalent to an equity interest. Financial information can be obtained from the treasurer for the Mahoning County Educational Service Center, who serves as fiscal agent, at 2801 Market Street, Youngstown, Ohio 44507-1693.

Mahoning County Joint Vocational School

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

PUBLIC ENTITY RISK POOL

Ohio School Boards Association Workers' Compensation Group Rating Plan

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (WCGRP), an insurance purchasing pool. The WCGRP was established under Section 4123.29 of the Ohio Revised Code. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 according to the general laws of the State of Ohio.

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.

Capital Projects Funds - The capital projects funds are used to account for financial resources to be used for the acquisition of construction of major capital facilities (other than those financed by proprietary 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 - The enterprise funds are used to account for operations (a) that are 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

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include a nonexpendable trust fund, an expendable trust fund and an agency fund. The nonexpendable trust fund is accounted for in the same manner as proprietary funds. The expendable trust fund is accounted for in the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency fund is presented on a budget basis, with note disclosure, regarding items which, in other fund types, would be subject to accrual. At June 30, 2000, there were no accruals for the agency fund that, in other fund types, would be recognized in the combined balance sheet.

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 or trust funds.
General Long-Term Obligations Account Group - This group of accounts is established to account for all long-term obligations of the District, other than 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 and the nonexpendable trust fund 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 statements present increases (revenues) and decreases (expenses) in net total assets.

The modified accrual basis of accounting is followed for governmental funds and the expendable trust fund. 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 taxes, (to the extent they are intended to finance the current fiscal year), interest, and accounts (student fees and tuition). 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) are recognized as revenue. In proprietary funds, unused donated commodities are reported as deferred revenue.

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 recognition 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.

The proprietary funds and the nonexpendable trust fund 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 in the operating statement as an expense and a like amount is reported as donated commodities revenue.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Budgets

The District is required by State statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2000 is as follows:

1. Prior to January 15 of the preceding year, 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 Mahoning County Budget Commission for tax rate determination.

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 level of expenditures, 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. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. 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. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.

6. 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.

7. 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 were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the permanent appropriation amounts plus all supplemental appropriations legally enacted during the year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

8. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund 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 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 14 provides a reconciliation of the budgetary and GAAP basis of accounting and Note 11 discloses encumbrances outstanding for the enterprise funds at fiscal year end.

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 and Cash Equivalents" and "Investments" on the combined balance sheet.

During 2000, investments were limited to a repurchase agreement and nonnegotiable certificates of deposit. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during fiscal 2000 amounted to $113,688, which includes $85,886 assigned from other District funds. Interest revenue credited to the Food Service enterprise fund during fiscal 2000 amounted to $4,043, which includes $2,555 assigned from other District funds.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

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

F. Inventory

Inventories of proprietary funds consist of donated food, purchased food, food service paper and janitorial supplies and are valued at the lower of cost (first-in/first-out method) or market and expensed when used rather than when purchased.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

G. Fixed Assets and Depreciation

1. *General Fixed Assets Account Group*
   General fixed assets are capitalized at cost or estimated historical cost. Donated fixed assets are recorded at their fair market values as of the date donated. The District follows the policy of not capitalizing assets with a cost of less than $500 and a useful life of less than five years. No depreciation is recognized for assets in the general fixed assets account group. The District has not included infrastructure in the general fixed assets 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. Depreciation has been provided, where appropriate, on a straight-line basis over the following estimated useful lives:

Asset	*Life (years)*
Furniture, fixtures and equipment	5 - 20

H. 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. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenue when measurable and earned. The District currently participates in various state and federal programs categorized as follows:

Entitlements

General Fund
- State Foundation Program

Non-Reimbursable Grants

Special Revenue Funds
- Education Management Information Systems
- Teacher Development
- Adult Education Grants
- Title I
- Title VI
- Education for Economic Security Act
- Drug Free Schools
- Auxiliary Services
- Disadvantaged Pupil Impact Aid
- Title VI-B
- Instructional Materials Subsidy
- Building Maintenance
- Raising the Bar
- Safe School Grant
- Title VI-R
- SchoolNet Professional Development

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Capital Projects Funds
SchoolNet
Technology Equity
Emergency Building Repair
OSFC Project Construction

Reimbursable Grants

General Fund
Driver Education Reimbursement

Proprietary Funds
National School Lunch Program
National School Breakfast Program
Government Donated Commodities

Grants and entitlements amounted to approximately 77% of the District's operating revenue during the 2000 fiscal year.

I. Compensated Absences

Compensated absences of the District consist of vacation leave and sick leave to the extent that payment 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 and all employees with at least twenty years of service regardless of their age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has 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 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 for employees meeting the above requirements who are paid from proprietary funds is recorded as an expense when earned.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

J. Long-Term Obligations

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

Under Ohio law, a debt retirement fund must be created and used for the payment of all debt principal interest. GAAP requires the allocation of the debt liability among the general and the general long-term obligations account group, with principal and interest payments on matured general long-term debt being reported in the debt service fund. To comply with the GAAP reporting requirements, the District's debt retirement fund has been split among the appropriate funds and account group. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

K. Fund Equity

Reserved fund balances indicate that 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, budget stabilization, textbooks, debt service, prepayments and principal endowment. Although the nonexpendable trust fund uses the total economic resources measurement focus, the fund equity is reserved for the amount of the principal endowment. The unreserved portions of fund equity reflected for the governmental funds are available for use within the specific purposes of those funds.

L. Interfund Transactions

During the course of normal operations, the District may have numerous transactions between funds. The most significant 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 show transfers of resources as operating transfers.

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. Quasi-external transactions are accounted for as revenues, expenditures or expenses.

3. Short-term interfund loans and accrued interfund reimbursements and accrued operating transfers are reflected as "interfund loans receivable or payable". The District had short-term interfund loans receivable and payable at June 30, 2000.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

4. 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. The District had no long-term advances receivable or payable at June 30, 2000.

See Note 5 for an analysis of interfund transactions.

M. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization and textbook reserve. These reserves are required by the State statute. The budget stabilization reserve can be used only after receiving approval from the State Superintendent of Public Instruction. Fund balance reserves have also been established. See Note 16 for statutory reserves.

N. Estimates

The preparation of the GPFS in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the GPFS and accompanying notes. Actual results may differ from those estimates.

O. Parochial Schools

Within the District boundaries, St. Joseph's is operated through the Catholic Diocese. Current state legislation provides funding to these parochial schools. These monies are received and distributed on behalf of the parochial schools by the Treasurer of the District, as directed by the parochial schools. The receipt and fiduciary liability of these state monies are reflected in a special revenue fund for financial reporting purposes.

P. Prepaids

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 prepayment is not available to finance future governmental fund expenditures, the fund balance is reserved by an amount equal to the carrying value of the asset.

Q. Memorandum Only - Total Columns

Total columns on the GPFS are captioned "Total (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 changes in financial position in conformity with GAAP. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

3. ACCOUNTABILITY AND COMPLIANCE

A. Prior Period Adjustment

Due to an error in the amount of accumulated depreciation reported at June 30, 1999, a prior period adjustment is required to properly state retained earnings in the Food Service enterprise fund. The adjustment for accumulated depreciation had the following effect on retained earnings as previously reported at June 30, 1999:

	Enterprise
Retained earnings as previously reported	$91,170
Restatement of accumulated depreciation	5,371
Restated retained earnings at July 1, 1999	$96,541

B. Deficit Fund Balances

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

Deficit Balance	
Special Revenue Funds	
Education for Economic Security Act	$ (12)
Title I	(150,744)

These funds complied with Ohio state law, which does not permit a cash basis deficit at year end.

The deficit fund balance in the Education for Economic Security Act special revenue fund is caused by accruing wage, benefit and pension obligations in accordance with GAAP. The deficit fund balance in the Title I special revenue fund is caused by accruing wage, benefit and pension obligations and the recording of an “advance in” as a fund liability rather than as an “other financing source”. These deficits will be eliminated by anticipated intergovernmental revenues and subsidies not recognized at June 30.

4. EQUITY IN POOLED CASH AND INVESTMENTS

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Cash Equivalents” and “Investments”. State statutes require the classification of monies held by the District into three categories:

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

4. EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio;

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

6. The State Treasury Asset Reserve of Ohio (STAR Ohio);

7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time;

8. Under limited circumstances, corporate debt instruments rated in either of the two highest rating classifications by at least two nationally recognized rating agencies; and

4. EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

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

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

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

Deposits: At year end, the carrying amount of the District's deposits was $(494,091) and the bank balance was $386. These amounts include $11,544 in nonnegotiable certificates of deposit. The District did not record a liability due to the "zero balance" nature of the account. The negative carrying amount of deposits is due to the sweeping of monies into overnight repurchase agreements which are reported as "investments". The entire bank balance was covered by federal depository insurance.

Collateral is required for demand deposits and certificates of deposits in excess of all deposits not covered by federal depository insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, obligations of the State of Ohio and its municipalities, and obligations of the other states. Obligations pledged to secure deposits must be delivered to a bank other than the institution in which the deposit is made. Written custodial agreements are required.

Investments: Investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or securities held by the District. 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, but not in the District's name.

	Category 3	*Reported Amount*	*Fair Value*
Repurchase agreement	$9,320,284	$9,320,284	$9,320,284
Total investments	$9,320,284	$9,320,284	$9,320,284

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

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

4. EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	$8,814,649	$ 11,544
Investments in the cash management pool:		
Repurchase agreement	(9,320,284)	9,320,284
Certificates of deposit	11,544	(11,544)
GASB Statement No. 3	$ (494,091)	$9,320,284

5. INTERFUND TRANSACTIONS

A. The following is a summarized breakdown of the District's operating transfers for fiscal year 2000:

	Transfers In	Transfers Out
General Fund	$ - - -	$51,449
Debt Service Fund	51,449	- - -
Total	$51,449	$51,449

B. The following is a summarized breakdown of the District's interfund loans receivable and payable at June 30, 2000:

	Interfund Loan Receivable	Interfund Loan Payable
General Fund	$93,739	$ - - -
Special Revenue Funds:		
Title VI-B	- - -	15,707
Title I	- - -	78,032
Totals	$93,739	$93,739

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 November 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 and railroads which are assessed at 29%.

6. PROPERTY TAXES - (Continued)

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 assessed value upon which the 1999 taxes were collected was $73,419,920. Agricultural/Residential and public utility/minerals real estate represented $54,901,200 or 74.78% of this total; Commercial & Industrial real estate represented $6,507,850 or 8.86% of this total, public utility tangible represented $4,688,790 or 6.39% of this total and general tangible property represented $7,322,080 or 9.97% of this total. The voted general tax rate at the fiscal year ended June 30, 2000 was $23.70 per $1,000.00 of assessed valuation for operations and $3.25 per $1,000,000 of assessed valuation for debt service.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20.

The District receives property taxes from Mahoning County. The County Treasurer collects property taxes 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 advances) 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. There were no tax advances available to the District at June 30, 2000.

7. RECEIVABLES

Receivables at June 30, 2000 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest and intergovernmental grants and entitlements intended to finance fiscal year 2000. Intergovernmental receivables have been recorded as “Due From Other Governments” on the balance sheet. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable conditions of State programs and the current year guarantee of Federal funds. A summary of the principal items of receivables follows:

	Amounts
General Fund	
Taxes - current and delinquent	$3,350,854
Accounts	30
Special Revenue Funds	
Taxes-current and delinquent	51,343
Due from other governments	55,155
Debt Service Fund	
Taxes - current and delinquent	471,821
Capital Projects Fund	
Taxes - current and delinquent	15,458
Enterprise Fund	
Due from other governments	54,553

8. FIXED ASSETS

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

	Balance July 1, 1999	*Increase*	*Decrease*	*Balance June 30, 2000*
Land/improvements	$ 16,025	$ - - -	$ - - -	$ 16,025
Buildings/improvements	3,383,646	23,631	- - -	3,407,277
Furniture/equipment	1,291,643	21,674	- - -	1,313,317
Vehicles/other	388,299	- - -	- - -	388,299
Total	$5,079,613	$45,305	$ 0	$5,124,918

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

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

Furniture and equipment	$167,355
Less: accumulated depreciation	(136,228)
Net fixed assets	$ 31,127

9. LONG-TERM OBLIGATIONS

A. During the current fiscal year, the District issued general obligation bonds to provide funds for the construction of a new K-8 elementary/middle school building and renovations and additions to the high school (hereinafter called “Construction Project”). These bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for in the general long-term obligations account group. Payments of principal and interest relating to this bond are recorded as an expenditure in the Debt Service fund. The source of payment is derived from a current 3.1 mill bonded debt tax levy for the building construction and a .2 mill bonded debt tax levy for land acquisition.

These bonds represent the amount of the Construction Project that the District itself was required to finance, in accordance with the terms of a facilities grant from the Ohio School Facilities Commission (OSFC). OSFC will make quarterly disbursements to the District as the project is completed. As of June 30, 2000, the total estimated cost of the Construction Project is $27,106,432, of which OSFC will pay $21,056,504.

In conjunction with the 3.3 mills which support the bond issue, the District also passed in fiscal 2000 a .5 mill levy to ultimately fund the maintenance costs of the new facilities. Tax revenue from this levy has been reported in the Capital Projects funds.

This issue is comprised of both current interest bonds, par value $2,905,000, and capital appreciation bonds, par value $465,000. The interest rates on the current interest bonds range from 4.80% to 5.75%. The capital appreciation bonds mature on December 1, 2012 (effective interest 14.5190641%), December 1, 2013 (effective interest 14.5190511%), and December 1, 2014 (effective interest 14.5191251%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The present value (as of issue date) reported in the general long-term obligations account group at June 30, 2000 was $114,000.

9. LONG-TERM OBLIGATIONS - (Continued)

A total of $71,300 in accreted interest on the capital appreciation bonds has been included in the general long-term obligations account group at June 30, 2000. The current interest bonds maturing on or after December 1, 2010 are subject to early redemption at the sole option of the District, at the following redemption prices, plus accrued interest:

Redemption Dates	*Redemption Price*
December 1, 2010 through November 30, 2011	102% of par
December 1, 2011 through November 30, 2012	101% of par
December 1, 2012 and thereafter	100% of par

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2022.

B. The following is a summary of the future debt service requirements to maturity for the general obligation bonds:

Fiscal	*Current Interest Bonds*			*Capital Appreciation Bonds*		
Year Ending	*Principal*	*Interest*	*Total*	*Principal*	*Interest*	*Total*
2001	$ 165,000	$ 146,588	$ 311,588	$ - - -	$ - - -	$ - - -
2002	90,000	143,560	233,560	- - -	- - -	- - -
2003	95,000	142,120	237,120	- - -	- - -	- - -
2004	95,000	137,560	232,560	- - -	- - -	- - -
2005	100,000	132,830	232,830	- - -	- - -	- - -
2006 - 2010	585,000	582,122	1,167,122	- - -	- - -	- - -
2011 - 2015	285,000	315,110	600,110	465,000	128,514	593,514
2016 - 2020	855,000	310,644	1,165,644	- - -	- - -	- - -
2021 - 2023	635,000	56,206	691,206	- - -	- - -	- - -
Total	$2,905,000	$1,966,740	$4,871,740	$465,000	$128,514	$593,514

C. The District issued energy conservation notes to provide for energy improvements to various District buildings. The primary source of repayment of this note is through energy savings as a result of the improvements.

Payments of principal and interest relating to this liability are recorded as expenditures in the debt service fund. The unmatured obligations at year end are accounted for in the general long-term obligations account group.

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

	Interest Rates	*Issue Date*	*Maturity Date*	*Outstanding July 1, 1999*	*Retired in 2000*	*Outstanding June 30, 2000*
U.S. EPA Asbestos Abatement Promissory Note	0%	07/22/88	07/31/08	$ 6,632	$ (6,632)	$ 0
Energy Conservation Notes	5.15%	05/23/96	11/30/04	463,558	$(74,935)	388,623
Total				$470,190	$(81,567)	$388,623

9. LONG-TERM OBLIGATIONS - (Continued)

D. The following is a summary of the District's future annual debt service requirements to maturity for the asbestos abatement and energy conservation notes:

Fiscal Year Ending	*Principal on Notes*	*Interest on Notes*	*Total*
2001	$ 78,845	$19,012	$ 97,857
2002	82,957	14,899	97,856
2003	87,284	10,572	97,856
2004	91,837	6,019	97,856
2005	47,700	1,228	48,928
Total	$388,623	$51,730	$440,353

E. On August 8, 1999, the District issued $3,019,000 in bond anticipation notes to begin the Construction Project under the terms outlined by the OSFC. These notes bear an annual interest rate of 4.66% and mature on August 8, 2000. The bond anticipation notes will be retired using proceeds from the Districts $3,019,000 general obligation bond issue described in Note 9.A. In accordance with FASB Statement No. 6, "Classification of Short-Term Obligations Expected to Be Refinanced," the bond anticipation notes are considered long-term obligations because they have been replaced with long-term bonds before the financial statements have been issued. A summary of bond anticipation note transactions for the year ended June 30, 2000 follows:

	Principal Outstanding June 30, 1999	*Additions*	*Reductions*	*Principal Outstanding June 30, 2000*
Capital Projects Funds				
Bond Anticipation Notes - 4.66%	$ 0	$3,019,000	$ - - -	$3,019,000

F. During the year ended June 30, 2000, the following changes occurred in the liabilities reported in the general long-term obligations account group. Compensated absences are presented net of actual increases and decreases because of the practicality of determining these values. Compensated absences and pension obligations will be paid from the fund in which the employee was paid.

	Balance July 1, 1999	*Increase*	*Decrease*	*Balance June 30, 2000*
Current interest general obligation bonds	$ 0	$2,905,000	$ - - -	$2,905,000
Capital appreciation general obligation bonds	0	185,300	- - -	185,300
Bond anticipation note payable	0	3,019,000	- - -	3,019,000
Gen. obligation notes payable	463,558	- - -	(74,935)	388,623
Asbestos abate. notes payable	6,632	- - -	(6,632)	0
Compensated absences	496,170	23,608	- - -	519,778
Pension obligation payable	67,513	75,424	(67,513)	75,424
Total	$1,033,873	$6,208,332	$(149,080)	$7,093,125

9. LONG-TERM OBLIGATIONS - (Continued)

G. 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 effects of these debt limitations at June 30, 2000 are a voted debt margin of $3,625,123 and an unvoted debt margin of $73,420.

10. RISK MANAGEMENT

A. Property, Fleet, and Liability Insurance

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains comprehensive commercial insurance coverage for real property, building contents, vehicles, boilers, electronic data processing equipment and instruments. The comprehensive commercial insurance coverage limits are $26,000,000 and a deductible of $3,000. The business auto coverage limits are $500,000 for liability and uninsured motorists.

The District has liability insurance coverage limits of $1,000,000 per claim and $1,000,000 annual aggregate. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

B. Medical Benefits

The District has joined together with other school districts in Mahoning County to form the Mahoning County Employee Insurance Consortium, a public entity shared risk pool, currently operating as a common risk management and insurance program for 13 member school districts. The plan was organized to provide health, dental, and vision benefits to its member organizations.

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

The District pays the insurance premiums for all full time employees and 50% of the premium for part time employees who are the head of a household.

The health, dental, and vision coverage is administered by Professional Risk Management, a third party administrator.

C. Worker's Compensation

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (see Note 2.A.). The GRP's business and affairs are conducted by a three member board of directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

11. RISK MANAGEMENT - (Continued)

The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The worker's 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 will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP.

12. SEGMENT INFORMATION - ENTERPRISE FUNDS

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

	Food Service	*Uniform School Supplies*	*Total*
Operating revenue	$ 82,577	$2,496	$ 85,073
Operating expenses before depreciation	383,073	103	383,176
Depreciation	3,011	- - -	3,011
Operating income (loss)	(303,507)	2,393	(301,114)
Operating grants	340,472	- - -	340,472
Net income	65,120	2,393	67,513
Fixed asset additions	770	- - -	770
Net working capital	140,722	5,674	146,396
Total assets	197,919	5,674	203,593
Total liabilities	39,539	- - -	39,539
Total equity	158,380	5,674	164,054
Encumbrances at 06/30/00	4,800	- - -	4,800

13. 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 administered by the School Employees Retirement Board. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by 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, or by calling (614) 222-5853.

13. DEFINED BENEFIT PENSION PLANS - (Continued)

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute 14 percent for 2000; 7.70 percent was the portion to fund pension obligations. The contribution rates are not determined actuarially, but are established by the School Employees Retirement Board within the rates 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 $286,078, $195,882, and $169,652, respectively; 64 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. $103,380, representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds and the general long-term obligations account group.

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 retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771, or by calling (614) 227-4090.

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.

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 $888,614, $804,778, and $762,316, respectively; 87 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. $111,784, representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds.

14. POSTEMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through the STRS and to retired non-certified employees and their dependents through the 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.

14. 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 pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For 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 $507,779 during fiscal 2000.

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

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and disability and survivor benefit recipients. Members 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. 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 (the latest information available), were $126.4 million and the target level was $189.6 million. At June 30, 1999 (the latest information available), SERS had net assets available for payment of health care benefits of $188.0 million and SERS had approximately 51,000 participants receiving health care benefits. For the District, the amount to fund health care benefits, including surcharge, equaled $146,450 during the 2000 fiscal year.

15. BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance is done on a GAAP basis, 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, encumbrances are recorded as the equivalent of an expenditure (budget basis) as opposed to a reservation of fund balance for governmental funds (GAAP basis).

15. 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 of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses

Governmental Fund Types

	General	Special Revenue	Debt Service	Capital Projects
Budget basis	$(125,542)	$338,991	$107,630	$6,473,908
Net adjustment for revenue accruals	(25,987)	55,155	2,500	- - -
Net adjustment for expenditure accruals	(30,699)	24,129	(2,500)	(287,196)
Net adjustment for other financing sources (uses)	93,741	(93,739)	- - -	- - -
Encumbrances (budget basis)	190,858	38,755	- - -	87,770
GAAP basis	$ 102,371	$363,291	$107,630	$6,274,482

16. CONTINGENCIES

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 not currently a party to any legal proceedings that could have a material effect on the financial statements.

16. CONTINGENCIES -(Continued)

C. State School Funding Decision

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to this District. During the fiscal year ended June 30, 2000, the District received school foundation support of $5,910,558 for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County 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.

17. STATUTORY RESERVES

The District is required by State law to set-aside certain general fund revenue amounts, as defined by Statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2000, the reserve activity was as follows:

	Textbooks	*Capital Acquisition*	*Budget Stabilization*
Set-aside cash balance as of June 30, 1999	$ 0	$ 0	$147,642
Current year set-aside requirement	171,395	171,395	57,132
Current year offsets- - -	(6,037,999)	- - -	
Qualifying disbursements	(165,079)	- - -	- - -
Total	$ 6,316	$(5,866,064)	$204,774
Cash balance carried forward to FY 2001	$ 6,316	$ 0	$204,774

17. STATUTORY RESERVES - (Continued)

Although the District had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero, these extra amounts may not be used to reduce the set-aside requirements of future years. Negative amounts are therefore not presented as being carried forward to the next fiscal year.

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

Amount restricted for budget stabilization	$204,774
Amount restricted for textbooks	6,316
Total restricted assets	$211,090

18. CONTRACTUAL COMMITMENTS

As of June 30, 2000, the District had the following contractual commitments outstanding related to the Construction Project outlined in Note 9.A. A summary of the primary contractual commitment follows:

Vendor	*Type of Services*	*Total Contract*	*Amount Paid*	*Remaining Commitment at 6/30/00*
Fanning/Howey Associates, Inc.	Architect	$1,932,801	$414,571	$1,518,230

CAMPBELL CITY SCHOOL DISTRICT
MAHONING COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2000

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
Passed Through Ohio Department of Education:						
Nutrition Cluster:						
Food Distribution Program		10.550		$23,469		$24,112
National School Breakfast Program	05-PU-99	10.553	$19,121		$19,121	
	05-PU-00		53,612		53,612	
Subtotal - National School Breakfast Program			72,733		72,733	
National School Lunch Program	03-PU-99	10.555	7,811		7,811	
	03-PU-00		24,014		24,014	
	04-PU-99		52,565		52,565	
	04-PU-00		157,561		157,561	
Subtotal - National School Lunch Program			241,951		241,951	
Total U.S. Department of Agriculture - Nutrition Cluster			314,684	23,469	314,684	24,112
U.S. DEPARTMENT OF EDUCATION						
Passed Through Ohio Department of Education:						
Adult and Community Education Grant	AB-S1-00	84.002	26,048		26,048	
Title I Local Educational Agencies Grants	C1-S1-99	84.010			132,708	
	C1-S1-00		271,046		349,079	
Subtotal - Title I Local Educational Agencies Grants			271,046		481,787	
Special Education Cluster:						
Title VI-B Special Education Grants	SB-SF-99	84.027			35,178	
	SB-SF-00		30,097		30,320	
Subtotal - Title VI-B - Special Education Cluster			30,097		65,498	
Safe and Drug Free Schools Grants	DR-S1-99	84.186			9,777	
	DR-S1-00		7,214		7,572	
Subtotal - Safe and Drug Free Schools Grants			7,214		17,349	
Goals 2000 Grants	G2-S1-99	84.276			7,269	
	G2-S1-00		28,598		266	
Subtotal - Goals 2000 Grants			28,598		7,535	
Innovative Educational Program Strategies Grants	C2-S1-99	84.298	1,443		6,902	
	C2-S1-00		7,419		1,082	
Subtotal - Innovative Educational Program Strategies Grants			8,862		7,984	
Technical Literacy Challenge Fund Grants	TF-S1-99	84.318	37,483		37,483	
	TF-S1-00		25,000		46,930	
Subtotal - Technical Literacy Challenge Fund Grants			62,483		84,413	
Class Size Reduction Grant	CR-S1-00	84.340	38,162		38,162	
Total U.S. Department of Education			472,510		728,776	
TOTAL FEDERAL FINANCIAL ASSISTANCE			**$787,194**	**$23,469**	**$1,043,460**	**$24,112**

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

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B--FOOD DISTRIBUTION

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

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Campbell City School District
Mahoning County
280 Sixth Street
Campbell, Ohio 44405

To the Board of Education:

We have audited the financial statements of Campbell City School District as of and for the year ended June 30, 2000, and have issued our report thereon dated February 7, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Campbell City School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of Campbell City School District in a separate letter dated February 7, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Campbell 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 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 management of Campbell City School District in a separate letter dated February 7, 2001.

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

Jim Petro
Auditor of State

February 7, 2001

STATE OF OHIO
OFFICE OF THE AUDITOR

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

Campbell City School District
Mahoning County
280 Sixth Street
Campbell, Ohio 44405

To the Board of Education:

Compliance

We have audited the compliance of Campbell 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. Campbell 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 Campbell City School District's management. Our responsibility is to express an opinion on Campbell 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, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about Campbell 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 Campbell City School District's compliance with those requirements.

In our opinion, Campbell 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.

Internal Control Over Compliance

The management of Campbell 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 Campbell 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 the audit committee, management, Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

February 7, 2001

CAMPBELL CITY SCHOOL DISTRICT
MAHONING COUNTY

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

1. SUMMARY OF AUDITOR'S RESULTS

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

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

Finding Number	**None**

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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JIM PETRO, AUDITOR OF STATE

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CAMPBELL CITY SCHOOL DISTRICT

MAHONING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
FEBRUARY 27, 2001