



**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Tuscarawas Valley Local School District
Tuscarawas County
2637 Tuscarawas Valley Road, N.E.
Zoarville, Ohio 44656-9692

To the Board of Education:

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 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.

The accompanying Schedule of Receipts and Expenditures of Federal Awards is presented for the purpose of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Jim Petro
Auditor of State

January 17, 2001

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TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2000

	Governmental Fund Types				Proprietary Fund Types			Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Agency	General	Long-Term		
								Fixed Assets	Obligations		
ASSETS AND OTHER DEBITS											
ASSETS:											
Equity in pooled cash and cash equivalents	\$1,357,849	\$180,341	\$383,346	\$132,885	\$38,135	\$56	\$48,921				\$2,141,533
Equity and cash equivalents with a fiscal agent						31,280					31,280
Receivables (net of allowances of uncollectibles):											
Taxes - current & delinquent	4,441,136		577,390	2,420	415						5,020,946
Accounts		437									852
Interfund loan receivable	61,449										61,449
Due from other governments	2,200				14,953						17,153
Prepayments	19,551	96									19,647
Materials and supplies inventory	31,832				17,602						49,434
Restricted assets:											
Equity in pooled cash and cash equivalents	411,734										411,734
Property, plant and equipment (net of accumulated depreciation where applicable)					133,555			\$14,031,777			14,165,332
OTHER DEBITS:											
Amount available in debt service fund									\$555,098		555,098
Amount to be provided for retirement of general long-term obligations									7,625,067		7,625,067
Total assets and other debits	\$6,325,751	\$180,874	\$960,736	\$135,305	\$204,660	\$31,336	\$48,921	\$14,031,777	\$8,180,165	\$14,031,777	\$30,099,525

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

--Continued

TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)
 JUNE 30, 2000

	Governmental Fund Types				Proprietary Fund Types			Fiduciary Fund Type	Account Groups			Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations			
LIABILITIES, EQUITY AND OTHER CREDITS												
LIABILITIES:												
Accounts payable	\$98,766	\$8,774		\$185	\$2,050							\$109,775
Accrued wages and benefits	737,538	31,605			27,728							796,871
Compensated absences payable	7,913				49,183				\$843,353			900,449
Claims payable						\$313,665						313,665
Pension obligation payable	117,964	4,178			11,951				56,831			190,924
Interfund loan payable		1,890			54,900		\$4,659					61,449
Deferred revenue	3,133,227		\$405,638	2,420	5,816							3,547,101
Due to other governments	1,594											1,594
Due to students							44,262					44,262
General obligation bond payable									6,699,981			6,699,981
Energy conservation loans payable									580,000			580,000
Total liabilities	4,097,002	46,447	405,638	2,605	151,628	313,665	48,921		8,180,165			13,246,071
EQUITY AND OTHER CREDITS:												
Investment in general fixed assets								\$14,031,777				14,031,777
Contributed capital					20,025							20,025
Retained earnings (accumulated deficit): unreserved					33,007	(282,329)						(249,322)
Fund balances:												
Reserved for encumbrances	328,640	19,867										393,517
Reserved for prepayments	19,551	96										19,647
Reserved for materials and supplies inventory	31,832											31,832
Reserved for debt service			383,346									383,346
Reserve for school bus purchase allowance	39,389											39,389
Reserved for tax revenue unavailable for appropriation	1,307,909											1,479,661
Reserved for budget stabilization	163,809					171,752						163,809
Reserved for textbooks	97,391											97,391
Reserved for capital acquisition	111,145											111,145
Unreserved:												
Designated	58,219											58,219
Undesignated	70,864	114,464							87,690			273,018
Total equity (deficit) and other credits	2,228,749	134,427	555,098	132,700	53,032	(282,329)	48,921	14,031,777				16,853,454
Total liabilities, equity and other credits	\$6,325,751	\$180,874	\$960,736	\$135,305	\$204,660	\$31,336	\$48,921	\$14,031,777	\$8,180,165			\$30,099,525

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

TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2000

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Revenues:					
From local sources:					
Taxes	\$4,716,893		\$666,365	\$37,110	\$5,420,368
Tuition	9,257				9,257
Earnings on investments	126,723			2,439	129,162
Extracurricular activities		\$134,619			134,619
Other local revenues	25,819	16,289	7,995		50,103
Intergovernmental - State	4,505,217	176,603	65,804	10,354	4,757,978
Intergovernmental - Federal		243,836			243,836
Total revenue	9,383,909	571,347	740,164	49,903	10,745,323
Expenditures:					
Current:					
Instruction:					
Regular	4,048,768	139,560		42,272	4,230,600
Special	516,203	105,555			621,758
Vocational	110,439				110,439
Support services:					
Pupil	223,612	13,644			237,256
Instructional staff	290,277	70,249			360,526
Board of education	18,442				18,442
Administration	859,797	43,570			903,367
Fiscal	232,180		9,304	894	242,378
Operations and maintenance	729,581				729,581
Pupil transportation	680,164	35,027			715,191
Central	5,065	1,722			6,787
Extracurricular activities	183,375	135,301			318,676
Facilities acquisition and construction	15,396			425,111	440,507
Debt service:					
Principal retirement			280,000		280,000
Interest and fiscal charges			263,340		263,340
Total expenditures	7,913,299	544,628	552,644	468,277	9,478,848
Excess (deficiency) of revenues over (under) expenditures	1,470,610	26,719	187,520	(418,374)	1,266,475
Other financing sources:					
Proceeds from sale of fixed assets	4,502				4,502
Proceeds from sale of notes				300,000	300,000
Accrued interest on notes sold				688	688
Total other financing sources	4,502			300,688	305,190
Excess (deficiency) of revenues and other financing sources over (under) expenditures	1,475,112	26,719	187,520	(117,686)	1,571,665
Fund balances, July 1	750,417	107,708	367,578	250,386	1,476,089
Increase in reserve for inventory	3,220				3,220
Fund balances, June 30	\$2,228,749	\$134,427	\$555,098	\$132,700	\$3,050,974

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

TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO
 COMBINED STATEMENTS 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			Debt Service			Capital Projects			Total (Memorandum only)		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)
Revenues:															
From local sources:															
Taxes.....	\$4,092,877	\$4,177,289	\$84,412												
Tuition.....	300	9,256	8,956												
Earnings on investments.....	72,000	126,723	54,723												
Extracurricular activities.....				\$124,251	\$134,181	\$9,930									
Other local revenues.....	14,625	24,038	9,413	12,267	16,253	3,986									
Intergovernmental - State.....	4,173,780	4,504,316	330,536	176,603	176,603	0	3,6200	65,804	29,604	7,995	7,995				
Intergovernmental - Federal.....				249,017	252,036	3,019									
Total revenues.....	8,353,582	8,841,622	488,040	562,138	579,073	16,935	540,000	616,644	76,644	61,000	67,335	6,335	9,516,720	10,104,674	587,954
Expenditures:															
Current:															
Instruction:															
Regular.....	4,366,370	4,227,873	138,497	182,051	150,256	31,795									
Special.....	549,433	524,277	25,156	123,123	108,724	14,399									
Vocational.....	114,126	112,603	1,523												
Support services:															
Pupil.....	234,954	229,851	5,103	17,160	13,948	3,212									
Instructional staff.....	322,373	311,877	10,496	81,279	70,090	11,189									
Board of Education.....	25,325	20,228	5,097												
Administration.....	907,343	896,402	10,941	48,027	44,680	3,347									
Fiscal.....	238,662	234,125	4,537				10,000	9,304	696	2,000	892	1,108			
Operations and maintenance.....	818,270	784,125	34,145												
Pupil transportation.....	808,672	784,864	23,808	41,354	36,735	4,619									
Central.....	140	7,779	7,639	8,713	1,725	6,988									
Extracurricular activities.....	196,426	183,354	13,072	151,708	145,107	6,601									
Facilities acquisition and construction.....	20,000	15,396	4,604												
Debt service:															
Principal retirement.....	30,000	30,000	0				250,000	250,000	0						
Interest and fiscal charges.....	17,500	16,815	685				246,525	246,525	0						
Total expenditures.....	8,657,223	8,390,509	266,714	653,415	571,265	82,150	506,525	505,829	696	604,382	548,549	55,833	10,421,545	10,016,152	405,393
Excess (deficiency) of revenues over (under) expenditures.....	(303,641)	451,113	754,754	(91,277)	7,808	99,085	33,475	110,815	77,340	(543,382)	(481,214)	62,168	(904,825)	88,522	993,347
Other financing sources (uses):															
Refund of prior year's expenditures.....															
Refund of prior year's receipts.....		1,930	1,930	(446)	(261)	185									
Operating transfers in.....					38	38							(446)	(446)	1,930
Advances in.....		308,157	308,157		42,213	42,213									185
Advances (out).....		(153,090)	(153,090)		(44,548)	(44,548)									38
Proceeds from sale of fixed assets.....		4,502	3,502												350,370
Proceeds of sale of notes.....	1,000														(197,638)
Accrued interest on notes sold.....															3,502
Total other financing sources (uses).....	1,000	161,499	160,499	(446)	(2,558)	(2,112)									688
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing.....	(302,641)	612,612	915,253	(91,723)	5,250	96,973	33,475	110,815	77,340	(243,382)	(180,526)	62,856	(604,271)	548,151	1,152,422
Fund balances, July 1.....	438,168	438,168	0	135,947	135,947	0	272,531	272,531	0	94,572	94,572	0	941,218	941,218	0
Prior year encumbrances appropriated.....	293,940	293,940	0	10,503	10,503	0	0	0	0	171,244	171,244	0	475,687	475,687	0
Fund balances, June 30.....	\$429,467	\$1,344,720	\$915,253	\$54,727	\$151,700	\$96,973	\$306,006	\$383,346	\$77,340	\$22,434	\$85,290	\$62,856	\$812,634	\$1,965,056	\$1,152,422

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

TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 ALL PROPRIETARY FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2000

	Proprietary Fund Types		Total (Memorandum Only)
	Enterprise	Internal Service	
Operating revenues:			
Tuition and fees	\$50,146		\$50,146
Sales/charges for services	267,823	\$851,382	1,119,205
Total operating revenues	317,969	851,382	1,169,351
Operating expenses:			
Personal services	258,555	66,079	324,634
Contract services	3,626		3,626
Materials and supplies	232,934		232,934
Depreciation	13,414		13,414
Claims expense		845,119	845,119
Total operating expenses	508,529	911,198	1,419,727
Operating loss	(190,560)	(59,816)	(250,376)
Nonoperating revenues (expenses):			
Operating grants	117,992		117,992
Loss on disposal of fixed assets	(431)		(431)
Interest revenue	42	1,923	1,965
Federal commodities	27,067		27,067
Total nonoperating revenues (expenses)	144,670	1,923	146,593
Net loss	(45,890)	(57,893)	(103,783)
Retained earnings (accumulated deficit) at July 1	78,897	(224,436)	(145,539)
Retained earnings (accumulated deficit) at June 30	\$33,007	(\$282,329)	(\$249,322)

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

TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2000

	<u>Proprietary Fund Types</u>		Total (Memorandum Only)
	<u>Enterprise</u>	<u>Internal Service</u>	
Cash flows from operating activities:			
Cash received from tuition and fees	\$49,731		\$49,731
Cash received from sales/service charges	267,823	\$851,382	1,119,205
Cash payments for personal services	(265,929)	(66,079)	(332,008)
Cash payments for contract services	(3,776)		(3,776)
Cash payments for supplies and materials	(203,206)		(203,206)
Cash payments for claims expenses		(755,946)	(755,946)
Net cash provided by (used in) operating activities	<u>(155,357)</u>	<u>29,357</u>	<u>(126,000)</u>
Cash flows from noncapital financing activities:			
Cash received from operating grants	116,579		116,579
Cash received from interfund loans	106,219		106,219
Cash payments used in repayment of interfund loans	<u>(91,285)</u>	<u>(172,325)</u>	<u>(263,610)</u>
Net cash provided by (used in) noncapital financing activities	<u>131,513</u>	<u>(172,325)</u>	<u>(40,812)</u>
Cash flows from investing activities:			
Interest received	<u>42</u>	<u>1,923</u>	<u>1,965</u>
Net cash provided by investing activities	<u>42</u>	<u>1,923</u>	<u>1,965</u>
Net decrease in cash and cash equivalents	(23,802)	(141,045)	(164,847)
Cash and cash equivalents at beginning of year	<u>61,937</u>	<u>172,381</u>	<u>234,318</u>
Cash and cash equivalents at end of year	<u>\$38,135</u>	<u>\$31,336</u>	<u>\$69,471</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating loss	(\$190,560)	(\$59,816)	(\$250,376)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation	13,414		13,414
Federal donated commodities	27,067		27,067
Changes in assets and liabilities:			
Increase in accounts receivable	(415)		(415)
Decrease in materials and supplies inventory	11,149		11,149
Decrease in accounts payable	(2,689)		(2,689)
Decrease in accrued wages & benefits	(4,190)		(4,190)
Increase in compensated absences payable	2,662		2,662
Decrease in pension obligation payable	(5,846)		(5,846)
Decrease in due to other governments		(125,485)	(125,485)
Increase in claims payable		214,658	214,658
Decrease in deferred revenue	<u>(5,949)</u>		<u>(5,949)</u>
Net cash provided by (used in) operating activities	<u>(\$155,357)</u>	<u>\$29,357</u>	<u>(\$126,000)</u>

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

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**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Tuscarawas Valley Local School District (the District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District ranks as the 322nd largest by total enrollment among the 660 public and community school districts in the State. It operates under a locally-elected, five member board and provides educational services as authorized and mandated by state and federal agencies. The Board controls the District's five instructional support facilities staffed by 64 classified employees and 110 certificated teaching personnel, and 6 administrators, who provide services to 1,742 students.

NOTE 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 more significant of the District's accounting policies are described below.

A. Reporting Entity

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

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

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

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

JOINTLY GOVERNED ORGANIZATIONS

Buckeye Joint Vocational School District (JVSD)

The Buckeye Joint Vocational School District (JVSD) is a separate body politic and corporate, established by the Ohio Revised Code to provide for the vocational and special education needs of the students. The JVSD's Board of Education is comprised of representatives from the Board of each participating school district. THE JVSD's Board is responsible for approving its own budgets, appointing personnel and accounting and finance related activities. The District's students may attend the vocational school. Each school district's control is limited to its representation on the JVSD's Board. During fiscal year 2000, no monies were paid to the JVSD by the District.

Ohio Mid-Eastern Regional Educational Services Agency (OME-RESA)

OME-RESA is a not-for-profit computer service organization whose primary function is to provide information technology services to it member school districts with the major emphasis being placed on accounting, payroll and inventory control services. Other areas of service provided by the OME-RESA include pupil scheduling, attendance and grade reporting, career guidance services, special education records, and test scoring.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

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

The OME-RESA is one of 23 regional service organizations serving over 600 public school districts in the State of Ohio that make up the Ohio Educational Computer Network (OECN). These service organizations are known as Data Acquisition Sites. The OECN is a collective group of Data Acquisition Sites, authorized pursuant to Section 3301.075 of the Ohio Revised Code, and their member school districts. Such sites, in conjunction with the Ohio Department of Education (ODE), comprise a statewide delivery system to provide comprehensive, cost-efficient accounting and other administrative and instructional computer services for participating Ohio school districts.

Major funding for this network is derived from the State of Ohio. In addition, a majority of the software utilized by the OME-RESA is developed by the ODE.

The OME-RESA is owned and operated by 49 member school districts in 10 different Ohio counties. The member school districts are comprised of public school districts and county boards of education. Each member district pays an annual fee for services provided by OME-RESA. OME-RESA is governed by a board of directors which is selected by the member districts. Each member district has one vote in all matters and each member district's control over budgeting and financing of OME-RESA is limited to its voting authority and any representation it may have on the board of directors.

The OME-RESA is located at 2023 Sunset Blvd., Steubenville, Ohio 43952. The Jefferson County Educational Service Center is one of OME-RESA's member districts, and acts in the capacity of fiscal agent for OME-RESA.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

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

Tuscarawas County Tax Incentive Review Council (TCTIRC)

The Tuscarawas County Tax Incentive Review Council (TCTIRC) is a jointly governed organization, created as a regional council of governments pursuant to Ohio Rev. Code Section 5705.62. TCTIRC has 44 members, consisting of 3 members appointed by the County Commissioners, 18 members appointed by municipal corporations, 14 members appointed by township trustees, 1 member from the County Auditor's Office and 8 members appointed by boards of education located within the County. The TCTIRC reviews and evaluates the performance of each Enterprise Zone Agreement. The body is advisory in nature and cannot directly impact an existing Enterprise Zone Agreement; however, the TCTIRC can make written recommendations to the legislative body that approved the agreement. There is no cost associated with being a member of the TCTIRC. The continued existence of the TCTIRC is not dependent upon the School District's continued participation and no measurable equity interest exists.

The School District does not retain an ongoing financial interest or an ongoing financial responsibility with any of these organizations.

PUBLIC ENTITY RISK POOLS

Ohio School Boards Association Workers' Compensation Group Rating Plan

The District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Plan (the Plan) was established through the Ohio School Boards Association (OSBA) as a group purchasing pool. The Plan'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 Plan. Each year, the participating school districts pay an enrollment fee to the Plan to cover the costs of administering the program.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

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

Ohio Mid-Eastern Regional Educational Services Agency (OME-RESA)

The District participates in the OME-RESA Self-Insurance Plan, a claims servicing pool comprised of 50 members. Each participant is a member of the assembly. The Plan's business and affairs are conducted by a 9 member Board of Directors elected from OME-RESA's assembly. Each member pays a monthly premium based on their claims history and a monthly administration fee. The District paid \$11,328 to OME-RESA in fiscal year 2000 for services. All participating members retain their risk and the Plan acts as the claims servicing agent.

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

General Fund - The General Fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

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.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

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

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.

Internal Service Funds - The Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

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

FIDUCIARY FUNDS

The 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 an Agency Fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency Funds are presented on a budget basis, with note disclosure, regarding items which, in other fund types, would be subject to accrual. See Note 3 for agency fund accruals which, in another fund type, would be recognized in the combined balance sheet.

ACCOUNT GROUPS

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

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

General Long-Term Obligations Account Group - This group of accounts is established to account for all long-term obligations of the District, 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 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 combined balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the combined balance sheet. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

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

The modified accrual basis of accounting is followed for governmental funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period, which for the District is 60 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) and accounts (student fees and tuition). Property taxes measurable as of June 30, 2000 and delinquent property taxes, whose availability is indeterminate and are intended to finance fiscal 2000 operations, have been recorded as deferred revenues, except for that portion which is available from the County Auditor as an advance at June 30. This amount is 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.

Expenditures (decreases in net financial resources) are recognized in the period in which the fund liability is incurred with the following exception: general long-term obligation principal and interest are reported only when due; and costs of accumulated unpaid vacation and sick leave are reported as expenditures in the period in which they will be liquidated with available financial resources rather than in the period earned by employees.

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

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

NOTE 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 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 Tuscarawas 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, function, and object level of expenditures, which are the legal levels of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

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

5. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions must be approved by the Board of Education.
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 by the Board during fiscal 2000.
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, function and/or object level.

Encumbrance accounting is utilized with District funds in the normal course of operations, for purchase orders and contract related expenditures. An encumbrance is a reserve on the available spending authority due to commitment for a future expenditure and does not represent a liability. For governmental fund types, encumbrances outstanding at year end 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 15 provides a reconciliation of the budgetary and GAAP basis of accounting for governmental fund types and Note 12 provides disclosure of the 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" on the combined balance sheet.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

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

During fiscal year 2000, investments were limited to STAR Ohio and a repurchase agreement. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as repurchase agreements, are reported at cost.

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

Under existing Ohio statute, all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. By policy of the Board of Education, investment earnings are assigned to the General Fund and the Building Capital Projects Fund. Interest is also credited to the Food Service Enterprise Fund based upon federal mandate. Interest revenue credited to the General Fund during fiscal 2000 amounted to \$126,723 which includes \$19,810 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.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

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

F. 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 one year. 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:

<u>Asset</u>	<u>Life (years)</u>
Furniture, fixtures and equipment	5-20

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

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

G. 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 for proprietary fund operations are recognized as nonoperating revenue when measurable and earned. The District currently participates in various state and federal programs categorized as follows:

Entitlements

General Fund

State Foundation Program
School Bus Purchase Reimbursement

Non-Reimbursable Grants

Special Revenue Funds

Title VI-B
Education Management Information Systems
Title I
Drug-Free Grant
Preschool Program
Title VI
Professional Development Block Grant
School Improvement
Ohio Reads
Safe School Help Line
Telecommunications (E-Rate)
Title VI-R

Capital Projects Funds

SchoolNet Plus
Permanent Improvement

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

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

Reimbursable Grants

General Fund

Driver Education Reimbursement

Enterprise Fund

National School Lunch Program

National School Breakfast Program

Government Donated Commodities

Grants and entitlements amounted to approximately 43 percent of the District's operating revenue during the 2000 fiscal year.

H. 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 sick pay 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 sick pay on employees expected to become eligible to retire in the future, all employees age 50 or greater with at least 10 years of service and all employees with at least 20 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.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

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

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 sick leave for employees meeting the above requirements who are paid from proprietary funds is recorded as an expense when earned.

I. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due. 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. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

J. 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. Designations represent tentative plans for future use of financial resources. Undesignated fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balances are reserved for encumbrances, prepayments, materials and supplies inventory, debt service, tax revenue unavailable for appropriation, budget stabilization, textbooks and capital acquisition, and school bus purchase allowance. The reserve for property tax advance unavailable for appropriation represents taxes recognized as revenue under GAAP but not available for appropriations under State statute. The unreserved portions of fund equity reflected for the governmental funds are available for use within the specific purposes of those funds. Fund balance in the General Fund includes a designation that represents the amount set-aside by the Board of Education for textbooks, and capital acquisition in excess of the statutory requirement.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

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

K. Interfund Transactions

During the course of normal operations, the District has 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.
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.

An analysis of interfund transactions is presented in Note 5.

L. Inventory

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

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

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

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

M. Prepayments

Prepayments for governmental funds represent cash disbursements which have occurred and are therefore not current expendable resources. These items are reported as fund assets on the combined 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.

N. Contributed Capital

Contributed capital is recorded in proprietary funds that have received contributions from other funds. These assets are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end.

O. 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 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 17 for detail of statutory reserves.

P. 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.

Q. Memorandum Only - Total Columns

Total columns on the GPFS are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or 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.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Prior Period Adjustment

Due to a calculation error, the District understated the liability for compensated absences at June 30, 1999. A prior period adjustment is required to properly report the estimated sick pay component of the liability. The effect of this adjustment on the balance of the General Long-Term Obligations Account Group and on Retained Earnings as previously reported as of June 30, 1999 is as follows:

	General Long-Term Obligations Account Group
Account balance/retained earnings as previously reported	\$7,912,926
Restatement for understated compensated absences liability	111,416
Restated account balance/retained earnings as of July 1, 1999	\$8,024,342

B. Deficit Fund Balances/Retained Earnings

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

	Deficit Balances
<u>Special Revenue Funds</u>	
Title I	\$ 745
<u>Internal Service Fund</u>	
Employee Benefits Self-Insurance	282,385

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

The deficit fund balance in the Title I Special Revenue Fund is a result of accruing wage, benefit and pension obligations in accordance with GAAP. This deficit will be eliminated by user charges and intergovernmental revenues not recognized at June 30.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

The deficit retained earning in the Employee Benefits Self-Insurance Internal Service Fund is a result of the application of GAAP, namely in the recognition of a liability for claims related to the fiscal year. This deficit will be eliminated as premiums are received to pay these claims.

C. Agency Funds

The following are accruals for the Agency Fund, which, in another fund type, would be recognized in the combined balance sheet:

LIABILITIES

Accounts Payable	\$9,376
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NOTE 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". Statutes require the classification of monies held by the District into three categories:

Active Monies: those monies required to be kept in a "cash" or "near-cash" status for immediate use by the District. Such monies must by law be maintained either as cash in the District treasury, in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) account, or in money market deposit accounts.

Inactive Monies: those monies not required for use within the current two year period of designation of depositories. Inactive monies may be deposited or invested as certificates of deposit maturing not later than the end of the current period of designation of depositories, or as savings or deposit accounts including, but not limited to, passbook account.

Interim Monies: 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 monies must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including pass book accounts.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

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

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 invested or deposited 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 2 percent and be marked to market daily, and that the term of the agreement must not exceed 30 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 25 percent of the interim monies available for investment at any one time; and

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within 5 years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash with Fiscal Agent: The District is self-insured through a fiscal agent. The money held by the fiscal agent cannot be identified as an investment or deposit since it is held in a pool made up of numerous participants. The amount held by the fiscal agent at June 30, 2000, was \$31,280.

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 \$(202,510) and the bank balance was \$175,000. A liability was not recorded for the negative carrying amount of deposits because there was no actual overdraft, due to the "zero-balance" nature of the District's bank accounts. The negative carrying amount of deposits is due to the sweeping of monies into overnight repurchase agreements which are reported as "investments". Of the bank balance:

1. \$100,000 was covered by federal deposit insurance.
2. \$75,000 was uninsured and unregistered because it was secured by collateral held by third party trustees pursuant to Section 135.181, Ohio Revised Code, in collateralized pools securing all public funds on deposit with specific depository institutions; these securities not being in the name of the District. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the District to a successful claim by the FDIC.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

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

Investments: Investments are categorized to give an indication of the level of custodial credit 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. Investments in STAR Ohio are not categorized as they are not evidenced by securities that exist in physical or book entry form.

	<u>Category 3</u>	<u>Reported Amount</u>	<u>Fair Value</u>
Repurchase agreement	<u>\$282,433</u>	\$ 282,433	\$ 282,433
Investment in STAR Ohio		<u>2,473,344</u>	<u>2,473,344</u>
Total investments		<u>\$2,755,777</u>	<u>\$2,755,777</u>

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".

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

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

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

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$ 2,584,547	\$ 0
Investments of the cash management pool:		
Repurchase agreement	(282,433)	282,433
Investment in STAR Ohio	(2,473,344)	2,473,344
Cash with fiscal agent	(31,280)	---
GASB Statement No. 3	\$ (202,510)	\$2,755,777

NOTE 5 - INTERFUND TRANSACTIONS

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

	Interfund Receivable	Interfund Payable
<u>General Fund</u>	\$61,449	\$ ---
<u>Special Revenue Funds</u>		
Venture Capital	---	1,890
<u>Enterprise Funds</u>		
Uniform School Supplies	---	7,474
Food Service	---	47,426
<u>Agency Fund</u>		
Student Managed Activities	---	4,659
Totals	\$61,449	\$61,449

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year operates from July through June. Real property tax collections by the County are remitted to the School District a year after they are assessed by the County. 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 percent 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 percent of market value and personal property is assessed at 100 percent of market value except for the personal property of rural electric companies which is assessed 50 percent of market and railroads which are assessed at 29 percent.

Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. Tangible personal property assessments are 25 percent of true value. The assessed value upon which the 2000 taxes were collected was \$154,005,980. Agricultural/residential and public utility/minerals real estate represented \$115,530,320 or 75.01 percent of this total, commercial & industrial real estate represented \$16,121,040 or 10.47 percent of this total, public utility tangible represented \$14,979,400 or 9.73 percent of this total and general tangible property represented \$7,375,220 or 4.79 percent of this total. The voted general tax rate at the fiscal year ended June 30, 2000 was \$36.20 per \$1,000.00 of assessed valuation for operations, and \$4.00 per \$1,000.00 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 Tuscarawas and Stark County Treasurers collect real estate property taxes on behalf of the District. The respective County Auditors periodically remit to the District its portion of the taxes collected with final settlement in March and September. Such collections are available to pay current period liabilities.

The Tuscarawas and Stark County Treasurers collect personal property taxes on behalf of all taxing districts within the Counties. The respective County Auditors periodically remit to the District its portion of the taxes collected with final settlement in February and August. Such collections are available to pay current period liabilities.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

NOTE 6 - PROPERTY TAXES - (Continued)

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. The amount of tax advance available at year end was \$1,479,661 and has been recorded as revenue.

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

NOTE 7 - RECEIVABLES

Receivables at June 30, 2000, consisted of taxes, accounts (billings for user charged services and student fees), interfund loans, and intergovernmental grants and entitlements (to the extent such grants and entitlements relate to the current fiscal year). Intergovernmental receivables have been reported as "Due from other governments" on the combined balance sheet. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of Federal funds.

A summary of the principal items of receivables follows:

	<u>Amounts</u>
<u>General Fund</u>	
Taxes - current & delinquent	\$4,441,136
Interfund loan receivable	61,449
 <u>Debt Service Fund</u>	
Taxes - current & delinquent	577,390
 <u>Enterprise Funds</u>	
Due from other governments	14,953

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

NOTE 8 - FIXED ASSETS

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

	<u>Balance</u> <u>July 1, 1999</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2000</u>
Land/improvements	\$ 369,319	\$199,981	\$ - - -	\$ 569,300
Buildings/improvements	8,633,682	31,053	(14,602)	8,650,133
Furniture/equipment	3,695,027	85,445	(104,770)	3,675,702
Vehicles	756,496	218,667	(99,771)	875,392
Construction in Progress	<u>- - -</u>	<u>261,250</u>	<u>- - -</u>	<u>261,250</u>
 Total	 <u>\$13,454,524</u>	 <u>\$796,396</u>	 <u>\$(219,143)</u>	 <u>\$14,031,777</u>

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

Furniture and equipment	\$ 319,511
Less: accumulated depreciation	<u>(185,956)</u>
Net fixed assets	<u>\$ 133,555</u>

NOTE 9 - CONTRIBUTED CAPITAL

Contributed capital for the year ended June 30, 2000 are summarized by source as follows:

	<u>Food Service</u>
Contributed capital, July 1, 1999	\$ 7,902
Current contributions from other funds	<u>12,123</u>
Contributed capital, June 30, 2000	<u>\$20,025</u>

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

NOTE 10 - LONG-TERM OBLIGATIONS

A. On June 3, 1999, the District issued \$6,949,981 general obligation, various purpose refunding bonds. The bonds bear interest at rates ranging from 3.40 percent to 5.35 percent per annum and mature in various installments through December 1, 2019. The proceeds of the bonds were used to advance refund the District's 1995 general obligation school improvement bonds by purchasing U.S. Government Securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The refunded bonds are not included in the District's outstanding debt since the District has satisfied its obligations through the advance refunding. The principal balance of the general obligation, various purpose refunding bonds at June 30, 2000 was \$6,770,000.

The assets held in trust as a result of the advance refundings described above are not included in the accompanying GPFS.

B. The District also has energy conservation loans outstanding at June 30, 2000. The energy conservation loans were issued in fiscal years 1997 and 2000 pursuant to Section 3313.372 of the Ohio Revised Code in anticipation of energy cost savings to be realized from an energy conservation project under House Bill 264. Payments of principal and interest relating to this liability are recorded as expenditures in the debt service fund. Unmatured obligations are accounted for in the general long-term obligations account group.

C. The following is a description of the District's long-term debt obligations outstanding as of June 30, 2000:

	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Outstanding July 1, 1999</u>	<u>Issued in 2000</u>	<u>Retired in 2000</u>	<u>Outstanding June 30, 2000</u>
General Obligation Bond	3.40%-5.35%	12/01/19	\$6,949,981	\$ - - -	\$(250,000)	\$6,699,981
Energy Conservation Loans	5.70%	Various	<u>310,000</u>	<u>300,000</u>	<u>(30,000)</u>	<u>580,000</u>
Total			<u>\$7,259,981</u>	<u>\$300,000</u>	<u>\$(280,000)</u>	<u>\$7,279,981</u>

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

D. The following is a summary of the District's future annual debt service requirements to maturity for general obligation debt:

<u>Fiscal Year Ending</u>	<u>Principal on Debt</u>	<u>Interest on Debt</u>	<u>Total</u>
2001	\$ 415,000	\$ 253,640	\$ 668,640
2002	415,000	239,819	654,819
2003	435,000	224,617	659,617
2004	450,000	208,296	658,296
2005	470,000	191,038	661,038
2006 - 2010	2,520,000	654,883	3,174,883
2011 - 2015	1,924,686	958,465	2,883,151
2016 - 2020	<u>650,295</u>	<u>2,269,705</u>	<u>2,920,000</u>
Total	<u>\$7,279,981</u>	<u>\$5,000,463</u>	<u>\$12,280,444</u>

E. 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 and the pension obligations will be paid from the fund in which the employee was paid. Compensated absences and the pension obligation are presented net of actual increases and decreases because of the practicality of determining these values. The beginning balance of the General Long-Term Obligations Account Group has been restated (See Note 3 A).

	<u>Restated Balance July 1, 1999</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2000</u>
Compensated absences	\$ 700,885	\$142,468	\$ - - -	\$ 843,353
Pension obligation payable	63,476	56,831	(63,476)	56,831
General obligation bond payable	6,949,981	- - -	(250,000)	6,699,981
Energy conservation loans	<u>310,000</u>	<u>300,000</u>	<u>(30,000)</u>	<u>580,000</u>
Total	<u>\$8,024,342</u>	<u>\$499,299</u>	<u>\$(343,476)</u>	<u>\$8,180,165</u>

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

F. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9 percent of the total assessed valuation of the District. The Code further provides that unvoted indebtedness shall not exceed 1/10 of 1 percent of the property valuation of the District. The effects of these debt limitations at June 30, 2000 are a voted debt margin of \$7,686,250 (including available funds of \$525,693) and an unvoted debt margin of \$154,006.

NOTE 11 - RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2000, the District contracted with Indiana Insurance Company for property and fleet insurance. Coverages provided by Indiana Insurance are as follows:

Building and Contents - replacement cost (\$1,000 deductible)	
Inland Marine Coverage (\$50 deductible), and	
Boiler and Machinery (\$1,000 deductible)	\$25,925,768
Automobile Liability (\$1,000 deductible)	2,000,000
Uninsured Motorists (\$1,000 deductible)	2,000,000

Professional liability is protected by The Nationwide Insurance Company with a \$1,000,000 single occurrence limit, a \$5,000,000 aggregate limit, and no deductible. The Nationwide Insurance Company also maintains \$25,000 public official bonds for the Board President, Superintendent, and Assistant Treasurer as well as a \$25,000 bond for the Treasurer. In addition, the Utica National Insurance Group provides public employee blanket bond for other employees.

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from last year.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

NOTE 11 - RISK MANAGEMENT - (Continued)

B. Workers' Compensation

For fiscal year 2000, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (See Note 2 A.). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This equity pooling arrangement 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.

C. Employee Medical Benefits

The District provides employee medical/surgical benefits through a self-insured plan and maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. The plan provides medical/surgical coverage which is 100 percent paid of reasonable and customary charges. Major medical expense coverage includes a \$100 individual and \$200 family deductible followed by a 10 percent employee co-payment. A third party administrator, Self-Funded Plans, Inc., of Cleveland, Ohio reviews all claims which are then paid by OME-RESA Health Benefits. The District purchases stop-loss coverage of \$50,000 per individual from Lexington Insurance Company through OME-RESA Health Benefits. The District also provides dental and vision coverage on this self-insured basis. The premiums are paid by the District at a rate of 100 percent for all employees. The premium is paid by the fund that paid the salary for the employee and is based on historical cost information.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

NOTE 11 - RISK MANAGEMENT - (Continued)

Total required monthly premiums for coverage are as follows:

	<u>Family</u>	<u>Individual</u>
Medical/Surgical	\$ 517.08	\$ 223.17
Dental	\$ 41.30	\$ 41.30
Vision	\$ 15.22	\$ 5.72

The liability for unpaid claims of \$313,665 reported in the internal service fund at June 30, 2000, is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims.

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-End</u>
1999 - 2000	\$ 99,007	\$970,604	\$(755,946)	\$313,665
1998 - 1999	132,212	816,988	(850,193)	99,007

The District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the part three fiscal years.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

NOTE 12 - SEGMENT INFORMATION - ENTERPRISE FUNDS

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

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Total</u>
Operating revenue	\$267,823	\$50,146	\$317,969
Operating expense before depreciation	435,902	59,213	495,115
Depreciation	13,414	---	13,414
Operating loss	(181,493)	(9,067)	(190,560)
Operating grants	117,992	---	117,992
Federal donated commodities	27,067	---	27,067
Net loss	(36,823)	(9,067)	(45,890)
Net working capital	(60,064)	28,724	(31,340)
Total assets	166,412	38,248	204,660
Total liabilities	142,104	9,524	151,628
Contributed capital	20,025	---	20,025
Total equity	24,308	28,724	53,032
Encumbrances			
Outstanding at June 30	300	2,615	2,915

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

NOTE 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.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute 14 percent for 2000; 5.55 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 to SERS for the fiscal years ended June 30, 2000, 1999 and 1998 were \$167,826, \$139,481, and \$140,376, respectively; 59 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$69,180, 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.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$605,610, \$542,176, and \$514,066, respectively; 83 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$102,284, representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds.

NOTE 14 - POSTEMPLOYMENT BENEFITS

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

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 \$346,063 during fiscal 2000.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Health Care Reserve 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.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

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 25 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 was 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 \$129,744 during the 2000 fiscal year.

NOTE 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 Comparison (NonGAAP Budgetary Basis) - 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 (budgetary basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures are recorded when paid in cash (budgetary basis) as opposed to when the liability is incurred (GAAP basis);

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

- (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 (budgetary basis) as opposed to a reservation of fund balance for governmental funds (GAAP basis).

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

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

	Governmental Fund Types			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Budgetary basis	\$ 612,612	\$ 5,250	\$ 110,815	\$(180,526)
Net adjustment for revenue accruals	542,287	(7,726)	123,520	(17,432)
Net adjustment for expenditure accruals	52,347	(2,004)	(46,815)	32,677
Net adjustment for other financing sources (uses)	(156,997)	2,558	---	---
Encumbrances (budgetary basis)	<u>424,863</u>	<u>28,641</u>	<u>---</u>	<u>47,595</u>
GAAP basis	<u>\$1,475,112</u>	<u>\$26,719</u>	<u>\$187,520</u>	<u>\$(117,686)</u>

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

NOTE 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

This District is not a party to legal proceedings.

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 Ohio General Assembly 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 \$3,957,203 of school foundation support for its General Fund.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

NOTE 16 - CONTINGENCIES - (Continued)

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

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

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

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY, OHIO**

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

NOTE 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:

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Set-aside cash balance as of June 30, 1999	\$ 2,372	\$ ---	\$ 99,502
Current year set-aside requirement	187,437	187,437	64,307
Current year offsets	---	(60,896)	---
Qualifying disbursements	<u>(92,418)</u>	<u>(15,396)</u>	<u>---</u>
Total	<u>\$ 97,391</u>	<u>\$111,145</u>	<u>\$163,809</u>
Cash balance carried forward to FY 2001	<u>\$ 97,391</u>	<u>\$111,145</u>	<u>\$163,809</u>

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

Amount restricted for budget stabilization	\$163,809
Amount restricted for textbooks	97,391
Amount restricted for capital acquisition	111,145
Amount restricted for school bus purchase	<u>39,389</u>
Total restricted assets	<u>\$411,734</u>

In addition, the General Fund balance includes \$39,114, and \$19,105 for textbook and capital acquisitions, respectively, that has been designated for the amount of set-asides in excess of requirements.

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**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY**

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

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution	N/A	10.550	\$0	\$20,861	\$0	\$31,589
School Breakfast Program	N/A	10.553	6,704		6,704	
National School Lunch Program	N/A	10.555	<u>104,272</u>		<u>104,272</u>	
Total U.S. Department of Agriculture - Nutrition Cluster			<u>110,976</u>	<u>20,861</u>	<u>110,976</u>	<u>31,589</u>
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Title I Grants to Local Educational Agencies	C1-S1-99 C1-S1-00	84.010	8,200 <u>93,176</u>		18,106 <u>79,618</u>	
Total Title I Grants to Local Educational Agencies			101,376	0	97,724	0
Innovative Education Program Strategies	C2-S1-99 FY 99 Carryover C2-S1-00	84.298	1,101 <u>8,253</u>		5,246 0 <u>2,466</u>	
Total Innovative Education Program Strategies			9,354	0	7,712	0
Special Education_Grants to States	6B-SF-99 6B-SF-00	84.027	101,296		29,937 <u>84,235</u>	
Total Special Education_Grants to States			101,296	0	114,172	0
Safe and Drug-Free Schools and Communities_State Grants	DR-S1-99 DR-S1-00	84.186	3,561 <u>7,284</u>		5,898 <u>2,014</u>	
Total Safe and Drug-Free Schools and Communities_State Grants			10,845	0	7,912	0
Reducing Class Size	CR-S1-00	84.340	<u>24,064</u>		<u>18,021</u>	
Total Reducing Class Size			<u>24,064</u>	<u>0</u>	<u>18,021</u>	<u>0</u>
Total U.S. Department of Education			<u>246,935</u>	<u>0</u>	<u>245,541</u>	<u>0</u>
Total			<u>\$357,911</u>	<u>\$20,861</u>	<u>\$356,517</u>	<u>\$31,589</u>

See the Accompanying Notes to the Schedule of Receipts and Expenditures of Federal Awards

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY**

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The Schedule of Receipts and Expenditures of Federal Awards (Schedule) is a summary of the activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2000, the District had food commodities valued at \$5,816 in inventory.

NOTE C - RISK DETERMINATION

The District did not meet the criteria to require a Single Audit for the prior year ended June 30, 1999. As a result, the District did not qualify as a low-risk auditee for the year ended June 30, 2000.



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

Tuscarawas Valley Local School District
Tuscarawas County
2637 Tuscarawas Valley Road, N.E.
Zoarville, Ohio 44656-9692

To the Board of Education:

We have audited the general purpose financial statements of Tuscarawas Valley Local School District, Tuscarawas County, (the District) as of and for the year ended June 30, 2000, and have issued our report thereon dated January 17, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

However, we noted immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated January 17, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the 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.

Tuscarawas Valley Local School District
Tuscarawas County
Report of Independent Accountants on Compliance and on
Internal Control Required By *Government Auditing Standards*
Page 2

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 the District in a separate letter dated January 17, 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

January 17, 2001



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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**

Tuscarawas Valley Local School District
Tuscarawas County
2637 Tuscarawas Valley Road, N.E.
Zoarville, Ohio 44656-9692

To the Board of Education:

Compliance

We have audited the compliance of Tuscarawas Valley Local School District, Tuscarawas County, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2000. The District's major federal programs are 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 programs are the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

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

Internal Control Over Compliance

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

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

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

Jim Petro
Auditor of State

January 17, 2001

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT
TUSCARAWAS COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	84.027 Special Education Grants to States 10.550 -10.555 Nutrition Cluster
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



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TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT

TUSCARAWAS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 20, 2001**