



**BRUNSWICK CITY SCHOOL DISTRICT  
MEDINA COUNTY**

**SINGLE AUDIT**

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



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

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**STATE OF OHIO**



**BRUNSWICK CITY SCHOOL DISTRICT  
MEDINA COUNTY  
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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 Second Street, NW  
Fourth Floor  
Canton, Ohio 44702  
Telephone 330-438-0617  
800-443-9272  
Facsimile 330-471-0001  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

## REPORT OF INDEPENDENT ACCOUNTANTS

Brunswick City School District  
Medina County  
3643 Center Road  
Brunswick, Ohio 44212

To the Board of Education:

We have audited the accompanying general purpose financial statements of Brunswick City School District, Medina 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 type 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 December 15, 2000 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

**Jim Petro**  
Auditor of State

December 15, 2000

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**Brunswick City School District**  
**Combined Balance Sheet**  
*All Fund Types and Account Groups*  
June 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Assets and Other Debits</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,406,547	\$787,160	\$1,425,449	\$18,129,554
Cash and Cash Equivalents With Fiscal Agent	0	0	14,906	0
Receivables:				
Taxes	18,460,522	0	1,153,759	665,118
Accounts	14,136	0	0	99,784
Intergovernmental	1,792	66,755	0	72,720
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	192,713	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	1,034,793	0	0	0
Fixed Assets (net, where applicable, of accumulated depreciation)	0	0	0	0
<b>Other Debits</b>				
Amount Available in Debt Service Fund for Retirement of General Obligation Debt	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
	<u>\$22,110,503</u>	<u>\$853,915</u>	<u>\$2,594,114</u>	<u>\$18,967,176</u>
<i>Total Assets and Other Debits</i>	<u>\$22,110,503</u>	<u>\$853,915</u>	<u>\$2,594,114</u>	<u>\$18,967,176</u>



Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Agency			
\$818,822	\$151,479	\$0	\$0	\$23,719,011
0	0	0	0	14,906
0	0	0	0	20,279,399
0	0	0	0	113,920
36,594	0	0	0	177,861
31,604	0	0	0	31,604
16,039	0	0	0	208,752
0	0	0	0	1,034,793
70,344	0	36,903,037	0	36,973,381
0	0	0	1,471,640	1,471,640
0	0	0	27,099,733	27,099,733
<u>\$973,403</u>	<u>\$151,479</u>	<u>\$36,903,037</u>	<u>\$28,571,373</u>	<u>\$111,125,000</u>

(continued)

**Brunswick City School District**  
**Combined Balance Sheet**  
*All Fund Types and Account Groups (continued)*  
June 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Liabilities, Fund Equity and Other Credits</b>				
<b>Liabilities</b>				
Accounts Payable	\$441,880	\$7,096	\$0	\$0
Contracts Payable	63,083	0	0	202,976
Accrued Wages	3,608,707	164,485	0	0
Compensated Absences Payable	233,435	0	0	0
Retainage Payable	0	0	0	47,453
Intergovernmental Payable	1,303,757	31,660	0	0
Deferred Revenue	17,759,956	0	1,107,568	642,023
Undistributed Monies	0	0	0	0
Accrued Interest Payable	0	0	0	975
Matured Bonds Payable	0	0	10,000	0
Matured Interest Payable	0	0	4,906	0
School Facilities Loan Payable	0	0	0	0
Early Retirement Incentive Payable	0	0	0	0
Asbestos Removal Loan Payable	45,564	0	0	0
Due to Students	0	0	0	0
Energy Conservation Loan Payable	0	0	0	172,000
General Obligation Bonds Payable	0	0	0	0
<b>Total Liabilities</b>	<b>23,456,382</b>	<b>203,241</b>	<b>1,122,474</b>	<b>1,065,427</b>
<b>Fund Equity and Other Credits</b>				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	135,820	158,900	0	3,553,314
Reserved for Inventory	192,713	0	0	0
Reserved for Property Taxes	700,566	0	46,191	23,095
Reserved for Budget Stabilization	1,034,793	0	0	0
Unreserved:				
Undesignated (Deficit)	(3,409,771)	491,774	1,425,449	14,325,340
<b>Total Fund Equity (Deficit) and Other Credits</b>	<b>(1,345,879)</b>	<b>650,674</b>	<b>1,471,640</b>	<b>17,901,749</b>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$22,110,503</b>	<b>\$853,915</b>	<b>\$2,594,114</b>	<b>\$18,967,176</b>

See accompanying notes to the general purpose financial statements

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Agency			
\$662	\$0	\$0	\$0	\$449,638
0	0	0	0	266,059
55,721	0	0	0	3,828,913
20,884	0	0	3,711,352	3,965,671
0	0	0	0	47,453
44,147	0	0	390,761	1,770,325
16,849	0	0	0	19,526,396
0	15,521	0	0	15,521
0	0	0	0	975
0	0	0	0	10,000
0	0	0	0	4,906
0	0	0	816,043	816,043
0	0	0	1,244,117	1,244,117
0	0	0	0	45,564
0	135,958	0	0	135,958
0	0	0	0	172,000
0	0	0	22,409,100	22,409,100
<u>138,263</u>	<u>151,479</u>	<u>0</u>	<u>28,571,373</u>	<u>54,708,639</u>
0	0	36,903,037	0	36,903,037
835,140	0	0	0	835,140
0	0	0	0	3,848,034
0	0	0	0	192,713
0	0	0	0	769,852
0	0	0	0	1,034,793
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,832,792</u>
<u>835,140</u>	<u>0</u>	<u>36,903,037</u>	<u>0</u>	<u>56,416,361</u>
<u>\$973,403</u>	<u>\$151,479</u>	<u>\$36,903,037</u>	<u>\$28,571,373</u>	<u>\$111,125,000</u>

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

	Governmental	
	General	Special Revenue
<b>Revenues</b>		
Taxes	\$18,167,987	\$0
Intergovernmental	19,842,862	1,706,372
Interest	663,018	4,600
Tuition and Fees	460,189	371
Extracurricular Activities	0	618,334
Contributions and Donations	0	52,747
Rentals	26,927	0
Miscellaneous	44,637	0
	<u>39,205,620</u>	<u>2,382,424</u>
<b>Total Revenues</b>		
<b>Expenditures</b>		
Current:		
Instruction:		
Regular	20,839,271	306,760
Special	4,886,188	259,934
Support Services:		
Pupils	1,797,963	410,611
Instructional Staff	1,332,811	220,295
Board of Education	171,100	0
Administration	2,650,692	388,642
Fiscal	857,248	0
Business	446,117	0
Operation and Maintenance of Plant	4,445,657	0
Pupil Transportation	2,106,983	0
Central	81,400	16,600
Operation of Non-Instructional Services	96	330,694
Extracurricular Activities	591,389	288,345
Capital Outlay	229,399	0
Debt Service:		
Principal Retirement	1,007,272	0
Interest and Fiscal Charges	175,339	0
Refunding Bond Issuance Costs	0	0
	<u>41,618,925</u>	<u>2,221,881</u>
<b>Total Expenditures</b>		
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,413,305)</u>	<u>160,543</u>
<b>Other Financing Sources (Uses)</b>		
Proceeds of Refunding Bonds	0	0
Payment to Refunded Bond Escrow Agent	0	0
Proceeds from Sale of Bonds	0	0
Sale of Fixed Assets	1,000	63,150
	<u>1,000</u>	<u>63,150</u>
<b>Total Other Financing Sources (Uses)</b>		
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(2,412,305)</u>	<u>223,693</u>
<i>Fund Balances Beginning of Year</i>	1,090,973	426,981
Decrease in Reserve for Inventory	(24,547)	0
<b>Fund Balances (Deficit) End of Year</b>	<u>(\$1,345,879)</u>	<u>\$650,674</u>

See accompanying notes to the general purpose financial statements

Fund Types		Totals (Memorandum Only)
Debt Service	Capital Projects	
\$948,884	\$819,279	\$19,936,150
367,561	151,741	22,068,536
50,192	678,401	1,396,211
0	0	460,560
0	0	618,334
0	0	52,747
0	0	26,927
0	0	44,637
<u>1,366,637</u>	<u>1,649,421</u>	<u>44,604,102</u>
0	0	21,146,031
0	0	5,146,122
0	0	2,208,574
0	0	1,553,106
0	0	171,100
0	0	3,039,334
18,113	0	875,361
0	0	446,117
0	0	4,445,657
0	0	2,106,983
0	0	98,000
0	0	330,790
0	0	879,734
0	1,947,986	2,177,385
1,042,647	0	2,049,919
1,065,593	16,797	1,257,729
82,088	0	82,088
<u>2,208,441</u>	<u>1,964,783</u>	<u>48,014,030</u>
<u>(841,804)</u>	<u>(315,362)</u>	<u>(3,409,928)</u>
4,845,134	0	4,845,134
(4,762,281)	0	(4,762,281)
0	7,729,100	7,729,100
0	0	64,150
<u>82,853</u>	<u>7,729,100</u>	<u>7,876,103</u>
(758,951)	7,413,738	4,466,175
2,230,591	10,488,011	14,236,556
0	0	(24,547)
<u>\$1,471,640</u>	<u>\$17,901,749</u>	<u>\$18,678,184</u>

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

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Taxes	\$17,382,554	\$17,853,086	\$470,532
Intergovernmental	19,271,607	19,842,862	571,255
Interest	490,884	503,135	12,251
Tuition and Fees	448,029	458,547	10,518
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Rentals	26,297	26,988	691
Miscellaneous	43,829	44,904	1,075
<i>Total Revenues</i>	<u>37,663,200</u>	<u>38,729,522</u>	<u>1,066,322</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	21,968,231	21,646,238	321,993
Special	4,870,854	4,799,784	71,070
Other	251,093	223,543	27,550
Support Services:			
Pupils	1,925,631	1,802,926	122,705
Instructional Staff	1,382,735	1,328,791	53,944
Board of Education	262,976	207,489	55,487
Administration	2,690,658	2,629,942	60,716
Fiscal	990,116	891,702	98,414
Business	579,798	467,059	112,739
Operation and Maintenance of Plant	4,281,829	4,240,219	41,610
Pupil Transportation	2,101,183	2,101,183	0
Central	100,200	81,752	18,448
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	640,682	640,682	0
Capital Outlay	262,599	262,599	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Refunding Bond Issuance Costs	0	0	0
<i>Total Expenditures</i>	<u>42,308,585</u>	<u>41,323,909</u>	<u>984,676</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(4,645,385)</u>	<u>(2,594,387)</u>	<u>2,050,998</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds of Refunding Bonds	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0
Proceeds From Sale of Bonds	0	0	0
Advances In	42,000	41,904	(96)
Advances Out	0	0	0
Refund of Prior Year Expenditures	0	0	0
Sale of Fixed Assets	1,000	1,000	0
Operating Transfers Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>43,000</u>	<u>42,904</u>	<u>(96)</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(4,602,385)</u>	<u>(2,551,483)</u>	<u>2,050,902</u>
<i>Fund Balances Beginning of Year</i>	4,003,945	4,003,945	0
Prior Year Encumbrances Appropriated	978,822	978,822	0
<i>Fund Balances End of Year</i>	<u>\$380,382</u>	<u>\$2,431,284</u>	<u>\$2,050,902</u>

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$1,208,128	\$1,833,312	\$625,184
1,508,857	1,680,255	171,398	249,555	367,561	118,006
3,093	4,600	1,507	33,544	50,192	16,648
422	371	(51)	0	0	0
663,025	618,334	(44,691)	0	0	0
0	53,247	53,247	0	0	0
0	0	0	0	0	0
660	1,266	606	0	0	0
<u>2,176,057</u>	<u>2,358,073</u>	<u>182,016</u>	<u>1,491,227</u>	<u>2,251,065</u>	<u>759,838</u>
282,081	352,864	(70,783)	0	0	0
9,917	268,037	(258,120)	0	0	0
0	6,943	(6,943)	0	0	0
55,351	434,812	(379,461)	0	0	0
30,353	244,529	(214,176)	0	0	0
0	0	0	0	0	0
44,142	419,540	(375,398)	0	0	0
0	0	0	18,113	18,113	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
53,849	18,549	35,300	0	0	0
35,939	276,217	(240,278)	0	0	0
0	300,180	(300,180)	0	0	0
0	0	0	0	0	0
0	0	0	10,541,514	11,797,772	(1,256,258)
0	0	0	1,275,365	1,264,534	10,831
0	0	0	0	82,088	(82,088)
<u>511,632</u>	<u>2,321,671</u>	<u>(1,810,039)</u>	<u>11,834,992</u>	<u>13,162,507</u>	<u>(1,327,515)</u>
<u>1,664,425</u>	<u>36,402</u>	<u>(1,628,023)</u>	<u>(10,343,765)</u>	<u>(10,911,442)</u>	<u>(567,677)</u>
0	0	0	0	4,845,134	4,845,134
0	0	0	0	(4,762,281)	(4,762,281)
0	0	0	0	0	0
0	0	0	0	0	0
(3,532)	(41,904)	(38,372)	0	0	0
300	291	(9)	0	0	0
63,125	63,150	25	0	0	0
(1,367)	0	1,367	0	0	0
<u>58,526</u>	<u>21,537</u>	<u>(36,989)</u>	<u>0</u>	<u>82,853</u>	<u>82,853</u>
1,722,951	57,939	(1,665,012)	(10,343,765)	(10,828,589)	(484,824)
427,663	427,663	0	12,254,038	12,254,038	0
134,021	134,021	0	0	0	0
<u>\$2,284,635</u>	<u>\$619,623</u>	<u>(\$1,665,012)</u>	<u>\$1,910,273</u>	<u>\$1,425,449</u>	<u>(\$484,824)</u>

(continued)

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

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Taxes	\$730,836	\$652,711	(\$78,125)
Intergovernmental	88,064	79,021	(9,043)
Interest	0	578,617	578,617
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Rentals	0	0	0
Miscellaneous	0	0	0
<i>Total Revenues</i>	<u>818,900</u>	<u>1,310,349</u>	<u>491,449</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	72,062	50,432	21,630
Special	0	0	0
Other	0	0	0
Support Services:			
Pupils	0	0	0
Instructional Staff	0	0	0
Board of Education	0	0	0
Administration	0	0	0
Fiscal	10,281	10,275	6
Business	0	0	0
Operation and Maintenance of Plant	0	0	0
Pupil Transportation	199,733	91,152	108,581
Central	0	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	6,243,182	5,099,012	1,144,170
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Refunding Bond Issuance Costs	0	0	0
<i>Total Expenditures</i>	<u>6,525,258</u>	<u>5,250,871</u>	<u>1,274,387</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(5,706,358)</u>	<u>(3,940,522)</u>	<u>1,765,836</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds of Refunding Bonds	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0
Proceeds From Sale of Bonds	0	7,729,100	7,729,100
Advances In	0	0	0
Advances Out	0	0	0
Refund of Prior Year Expenditures	0	0	0
Sale of Fixed Assets	0	0	0
Operating Transfers Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>7,729,100</u>	<u>7,729,100</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(5,706,358)</u>	<u>3,788,578</u>	<u>9,494,936</u>
<i>Fund Balances Beginning of Year</i>	<u>10,676,494</u>	<u>10,676,494</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>111,168</u>	<u>111,168</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$5,081,304</u>	<u>\$14,576,240</u>	<u>\$9,494,936</u>

See accompanying notes to the general purpose financial statements



Totals (Memorandum Only)

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$19,321,518	\$20,339,109	\$1,017,591
21,118,083	21,969,699	851,616
527,521	1,136,544	609,023
448,451	458,918	10,467
663,025	618,334	(44,691)
0	53,247	53,247
26,297	26,988	691
44,489	46,170	1,681
<u>42,149,384</u>	<u>44,649,009</u>	<u>2,499,625</u>
22,322,374	22,049,534	272,840
4,880,771	5,067,821	(187,050)
251,093	230,486	20,607
1,980,982	2,237,738	(256,756)
1,413,088	1,573,320	(160,232)
262,976	207,489	55,487
2,734,800	3,049,482	(314,682)
1,018,510	920,090	98,420
579,798	467,059	112,739
4,281,829	4,240,219	41,610
2,300,916	2,192,335	108,581
154,049	100,301	53,748
35,939	276,217	(240,278)
640,682	940,862	(300,180)
6,505,781	5,361,611	1,144,170
10,541,514	11,797,772	(1,256,258)
1,275,365	1,264,534	10,831
0	82,088	(82,088)
<u>61,180,467</u>	<u>62,058,958</u>	<u>(878,491)</u>
<u>(19,031,083)</u>	<u>(17,409,949)</u>	<u>1,621,134</u>
0	4,845,134	4,845,134
0	(4,762,281)	(4,762,281)
0	7,729,100	7,729,100
42,000	41,904	(96)
(3,532)	(41,904)	(38,372)
300	291	(9)
64,125	64,150	25
(1,367)	0	1,367
<u>101,526</u>	<u>7,876,394</u>	<u>7,774,868</u>
(18,929,557)	(9,533,555)	9,396,002
27,362,140	27,362,140	0
<u>1,224,011</u>	<u>1,224,011</u>	<u>0</u>
<u>\$9,656,594</u>	<u>\$19,052,596</u>	<u>\$9,396,002</u>

**Brunswick City School District**  
*Combined Statement of Revenues, Expenses  
and Changes in Retained Earnings  
Proprietary Fund Type  
For the Fiscal Year Ended June 30, 2000*

	<u>Enterprise</u>
<b>Operating Revenues</b>	
Sales	\$1,192,135
Other	16,221
	<u>1,208,356</u>
<i>Total Operating Revenues</i>	<u>1,208,356</u>
<b>Operating Expenses</b>	
Salaries and Wages	554,596
Fringe Benefits	211,346
Materials and Supplies	58,927
Cost of Sales	636,730
Depreciation	10,266
Other	14,268
	<u>1,486,133</u>
<i>Total Operating Expenses</i>	<u>1,486,133</u>
<i>Operating Loss</i>	<u>(277,777)</u>
<b>Non-Operating Revenues</b>	
Donated Commodities	70,969
Operating Grants	228,964
Interest	10,996
	<u>310,929</u>
<i>Total Non-Operating Revenues</i>	<u>310,929</u>
<i>Net Income</i>	33,152
<i>Retained Earnings Beginning of Year</i>	<u>801,988</u>
<i>Retained Earnings End of Year</i>	<u><u>\$835,140</u></u>

See accompanying notes to the general purpose financial statements

**Brunswick City School District**  
*Combined Statement of Revenues, Expenses  
and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual  
Proprietary Fund Type  
For the Fiscal Year Ended June 30, 2000*

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Sales	\$1,131,806	\$1,193,508	\$61,702
Operating Grants	237,778	250,942	13,164
Interest	10,549	10,996	447
Other	29,837	16,221	(13,616)
	<u>1,409,970</u>	<u>1,471,667</u>	<u>61,697</u>
<b>Expenses</b>			
Salaries and Wages	552,453	552,453	0
Fringe Benefits	214,039	212,963	1,076
Materials and Supplies	679,620	630,788	48,832
Capital Outlay	45,980	26,827	19,153
Other	277	14,672	(14,395)
	<u>1,492,369</u>	<u>1,437,703</u>	<u>54,666</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(82,399)	33,964	116,363
<i>Fund Equity Beginning of Year</i>	775,977	775,977	0
Prior Year Encumbrances Appropriated	4,977	4,977	0
<i>Fund Equity End of Year</i>	<u>\$698,555</u>	<u>\$814,918</u>	<u>\$116,363</u>

See accompanying notes to the general purpose financial statements

**Brunswick City School District**  
*Combined Statement of Cash Flows*  
*Proprietary Fund Type*  
*For the Fiscal Year Ended June 30, 2000*

	Enterprise
<b><i>Increase/(Decrease) in Cash and Cash Equivalents</i></b>	
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$1,193,508
Cash Received from Other Operating Sources	16,221
Cash Payments for Goods and Services	(628,488)
Cash Payments to Employees for Services	(552,453)
Cash Payments for Employee Benefits	(212,963)
Cash Payments for Other Operating Expenses	(14,268)
<i>Net Cash Used for Operating Activities</i>	(198,443)
<b>Cash Flows from Noncapital Financing Activities</b>	
Operating Grants Received	250,942
<b>Cash Flows from Capital and Related Financing Activities</b>	
Payments for Capital Acquisitions	(25,627)
<b>Cash Flows from Investing Activities</b>	
Interest on Investments	10,996
<i>Net Increase in Cash and Cash Equivalents</i>	37,868
<i>Cash and Cash Equivalents Beginning of Year</i>	780,954
<i>Cash and Cash Equivalents End of Year</i>	\$818,822
 <b><i>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</i></b>	
<i>Operating Loss</i>	(\$277,777)
 <b>Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities</b>	
Depreciation	10,266
Donated Commodities Used During Year	70,969
(Increase)/Decrease in Assets:	
Accounts Receivable	1,373
Inventory Held for Resale	(591)
Materials and Supplies Inventory	(3,209)
Increase/(Decrease) in Liabilities:	
Accounts Payable	662
Accrued Wages	3,899
Compensated Absences Payable	(2,418)
Intergovernmental Payable	(1,617)
<i>Total Adjustments</i>	79,334
<i>Net Cash Used for Operating Activities</i>	(\$198,443)

See accompanying notes to the general purpose financial statements

***Brunswick City School District***  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 1 - Description of the School District and Reporting Entity**

Brunswick City School District (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five-members elected at-large for staggered four year terms. The School District provides educational services as authorized by State statute and/or federal guidelines.

The School District is located in Medina County and encompasses the entire City of Brunswick. It controls the School District's 10 instructional/support facilities staffed by 278 classified employees, 437 certificated full-time teaching personnel, and 23 administrators who provide services to 7,064 students and other community members.

*Reporting Entity*

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

*Non-public Schools* - Within the School District boundaries, St. Ambrose and St. Mark's are operated as non-public schools. Current State legislation provides funding to these schools. These monies are received and disbursed on behalf of the schools by the Treasurer of the School District, as directed by the schools. The activity of these State monies is reflected in a special revenue fund by the School District for financial reporting purposes.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The School District does not have any component units.

The School District is associated with two jointly governed organizations and an insurance purchasing pool. These organizations are the Medina County Joint Vocational School, the Ohio Schools Council and the Ohio School Boards Association Workers' Compensation Group Rating Program. These organizations are presented in Notes 18 and 19 to the general purpose financial statements.

***Brunswick City School District***  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 2 - Summary of Significant Accounting Policies**

The financial statements of Brunswick City School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School 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 School District's accounting policies are described below.

***A. Basis Of Presentation - Fund Accounting***

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

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

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

*Governmental Fund Types*

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

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

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

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

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

***Brunswick City School District***  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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*Proprietary Fund Type*

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

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

*Fiduciary Fund Type*

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. There are two types of fiduciary funds, trust and agency. The School District has no trust funds. The School District's agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

*Account Groups*

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

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

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

***B. Measurement Focus and Basis of Accounting***

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

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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

***Brunswick City School District***  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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

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

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

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

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund type. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

***C. Budgetary Process***

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

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

*Tax Budget*

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



***Brunswick City School District***  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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

*Estimated Resources*

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2000.

*Appropriations*

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certification saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board of Education. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.

The Board may pass supplemental fund appropriations provided the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant.

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

*Encumbrances*

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Expenditures plus encumbrances may not legally exceed appropriations at the legal level of control. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

*Lapsing of Appropriations*

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

***Brunswick City School District***  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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***D. Cash and Cash Equivalents***

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the balance sheet. The School District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the combined balance sheet as "cash and cash equivalents with fiscal agent" and represents deposits.

During fiscal year 2000, investments were limited to United States Treasury Notes, commercial paper, Federal Home Loan Bank Bonds, Federal Farm Credit Discount Notes, Federal Home Loan Mortgage Notes, Federal National Mortgage Notes, overnight repurchase agreements and STAR Ohio.

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.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2000 amounted to \$663,018, which includes \$467,384 assigned from other School 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 an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents.

***E. Inventory***

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

***F. Restricted Assets***

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by statute to be set-aside by the School District for the creation of a reserve for budget stabilization. See Note 20 for additional information regarding set-asides.

**Brunswick City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**G. Fixed Assets and Depreciation**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$500. The School District does not possess any infrastructure.

Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of general fixed assets is also not capitalized.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the enterprise funds is computed using the straight-line method over an estimated useful life of fifteen years. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

**H. Intergovernmental Revenues**

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

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

Entitlements

*General Fund*

- State Foundation Program
- School Bus Purchase
- State Property Tax Relief

Non-Reimbursable Grants

*Special Revenue Funds*

- Classroom Reduction
- Title VIB
- Title I
- Title VI
- Drug Free Schools
- Professional Development
- Preschool
- Venture Capital
- Entry Year Grant
- Educational Management Information System
- Eisenhower Math/Science
- Auxiliary Services
- Ohio Reads Grant
- Parent Mentor

***Brunswick City School District***  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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REA Grant  
Peer Assistance Grant  
Medina Drug Abuse (MCDAC)

Reimbursable Grants

*General Fund*

Driver Education Reimbursement

*Proprietary Funds*

National School Lunch Program

Government Donated Commodities

Grants and entitlements amounted to 49 percent of the School District's governmental fund revenue during the 2000 fiscal year.

***I. Interfund Assets and Liabilities***

Short-term interfund loans are classified as "interfund receivables/payables." Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet.

***J. Compensated Absences***

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

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

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

***K. Accrued Liabilities and Long-Term Obligations***

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

***Brunswick City School District***  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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

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

***L. Interfund Transactions***

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

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

***M. Fund Balance Reserves***

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

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

***N. Estimates***

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

***O. Total Columns on General Purpose Financial Statements***

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

**Brunswick City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 3 - Compliance**

*A. Fund Deficit*

The General Fund had a deficit fund balance of \$1,345,879 at June 30, 2000. The deficit resulted from the recognition of liabilities in accordance with generally accepted accounting principles. The School District will receive \$2,402,088 in foundation receipts during July and August to pay for the accrued liabilities.

*B. Legal Compliance*

Contrary to Section 5705.39, Ohio Revised Code, the following fund had appropriations in excess of estimated revenues and carryover balances:

Fund	Estimated Revenue Plus Carryover Balances	Appropriations	Excess
<b>Special Revenue:</b>			
Venture Capital	\$156,385	\$211,718	\$55,333

Contrary to Section 5705.41 (B) of the Ohio Revised Code, the special revenue fund, debt service fund and the enterprise fund had numerous instances, ranging from \$103 to \$4,762,281, in which expenditures exceeded appropriations.

**Note 4 - Budgetary Basis of Accounting**

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund type (GAAP basis).
4. Accrued interest at year end is not reported by the School District on the budget basis operating statements, but is reported on the GAAP basis operating statements.

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5. The School District repays short-term note debt from the debt service fund (budget basis) as opposed to the fund that received the proceeds (GAAP basis). Debt service fund resources used to pay both principal and interest have been allocated accordingly.

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

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

	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	(\$2,412,305)	\$223,693	(\$758,951)	\$7,413,738
Net Adjustment for Revenue Accruals	454,025	(24,351)	(38,353)	(148,720)
Transfers of Revenue for Debt Payment	(691,277)	0	863,953	(172,676)
Principal	0	0	(10,755,125)	0
Interest and Fiscal Charges	(41,152)	0	(140,113)	(17,676)
Advance In	41,904	0	0	0
Unrecorded Cash	(113,218)	0	0	0
Change in Fair Value of Investments	(84,476)	0	0	0
Advances Out	0	(41,904)	0	0
Net Adjustment for Expenditure Accruals	1,107,378	68,038	0	267,226
Adjustment for Encumbrances	(812,362)	(167,537)	0	(3,553,314)
Budget Basis	<u>(\$2,551,483)</u>	<u>\$57,939</u>	<u>(\$10,828,589)</u>	<u>\$3,788,578</u>

Net Income/Excess of Revenues Over Expenses  
Proprietary Fund Type

GAAP Basis	\$33,152
Net Adjustment for Revenue Accruals	23,351
Net Adjustment for Expense Accruals	(3,274)
Capital Outlay	(25,627)
Depreciation	10,266
Adjustment for Encumbrances	(3,904)
Budget Basis	<u>\$33,964</u>

***Brunswick City School District***  
*Notes to the General Purpose Financial Statements*  
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**Note 5 - Deposits and Investments**

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

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

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

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

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

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

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



**Brunswick City School District**  
*Notes to the General Purpose Financial Statements*  
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7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any on time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

*Deposits:* At year-end, the carrying amount of the School District's deposits was \$221,959 and the bank balance was \$360,005. Of the bank balance:

1. \$219,527 was covered by federal depository insurance; and
2. \$140,478 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the School District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

	Category 3	Carrying Value	Fair Value
Commercial Paper	\$1,639,685	1,639,685	1,639,685
United States Treasury Notes	1,758,471	1,758,471	1,758,471
Federal Farm Credit Bank Discount Notes	139,392	139,392	139,392
Federal Home Loan Bank Bonds	5,796,115	5,796,115	5,796,115
Federal National Mortgage Notes	9,217,280	9,217,280	9,217,280
Repurchase Agreement	5,950,150	5,950,150	5,950,150
STAR Ohio		45,658	45,658
Total	<u>\$24,330,806</u>	<u>\$24,546,751</u>	<u>\$24,546,751</u>

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

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

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$24,768,710	\$0
Investments which are part of a cash management pool:		
Commercial Paper	(1,639,685)	1,639,685
United States Treasury Notes	(1,758,471)	1,758,471
Federal Farm Credit Bank	(139,392)	139,392
Federal Home Loan Bank	(5,796,115)	5,796,115
Federal National Mortgage Association	(9,217,280)	9,217,280
Repurchase Agreements	(5,950,150)	5,950,150
STAR Ohio	(45,658)	45,658
GASB Statement No. 3	\$221,959	\$24,546,751

**Note 6 - Property Taxes**

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs 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 personal property located in the School District. Property tax revenue received during calendar 2000 for real and public utility property taxes represents collections of calendar 1999 taxes. Property tax payments received during calendar 2000 for tangible personal property (other than public utility property) is for calendar 2000 taxes.

2000 real property taxes are levied after April 1, 2000, on the assessed value as of January 1, 2000, the lien date. Assessed values are established by State law at 35 percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2000 public utility property taxes became a lien December 31, 1999, are levied after April 1, 2000 and are collected in 2001 with real property taxes.

2000 tangible personal property taxes are levied after April 1, 2000, on the value as of December 31, 1999. Collections are made in 2000. Tangible personal property assessments are 25 percent of true value.

**Brunswick City School District**  
*Notes to the General Purpose Financial Statements*  
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The assessed values upon which fiscal year 2000 taxes were collected are:

	First Half Collections		Second Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/ Residential and Other Real Estate	\$574,796,740	91.29%	\$603,568,090	91.67%
Public Utility Personal	24,314,330	3.86	21,740,470	3.30
Tangible Personal Property	30,552,420	4.85	33,139,315	5.03
Total Assessed Value	<u>\$629,663,490</u>	<u>100.00%</u>	<u>\$658,447,875</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$63.77		\$63.24	

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including Brunswick City School District. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2000, are available to finance fiscal year 2001 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available to the School District as an advance at June 30, 2000, was \$700,566 in the general fund, \$46,191 in the bond retirement debt service fund, \$15,397 in the permanent improvements capital projects fund and \$7,699 in the classroom facilities capital projects fund.

**Note 7 - Receivables**

Receivables at June 30, 2000, consisted of taxes, accounts (rent and student fees) and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

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A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
<b>General Fund</b>	
Tuition	\$1,792
<b>Special Revenue Funds</b>	
Title I special revenue fund	22,877
Title VI special revenue fund	43,878
<i>Total Special Revenue</i>	<i>66,755</i>
<b>Capital Projects Funds</b>	
Permanent Improvement	72,720
<b>Enterprise Funds</b>	
Food Service	36,594
Grand Total	\$177,861

**Note 8 - Fixed Assets**

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

	<u>Enterprise</u>
Furniture and Equipment	\$512,271
Less accumulated depreciation	(441,927)
Net Fixed Assets	\$70,344

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

	<u>Balance</u> 7/1/99	<u>Adjustment</u> for Reappraisal	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 6/30/00
Land and Improvements	\$1,441,310	\$994,754	\$0	\$0	\$2,436,064
Buildings	8,453,990	13,052,167	0	0	21,506,157
Furniture and Equipment	5,333,320	2,170,052	688,206	64,150	8,127,428
Vehicles	3,426,825	(179,605)	148,854	0	3,396,074
Construction in Progress	0	0	1,437,314	0	1,437,314
Total	\$18,655,445	\$16,037,368	\$2,274,374	\$64,150	\$36,903,037

In fiscal year 2000, the School District had a reappraisal performed which resulted in the above cost changes.

***Brunswick City School District***  
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**Note 9 - Risk Management**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2000, the School District contracted with several companies for various types of insurance as follows:

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>
Nationwide Insurance	Liability	\$5,000,000
	Fleet Insurance	\$2,000,000
Crum and Forster Insurance Company	Property Insurance	\$84,903,156
	Inland Marine	\$1,739,459
	Crime	n/a
Travelers Insurance	Boiler and Machinery	\$30,000,000
Britton Gallagher Association	Employee Blanket Bond	\$5,000
Fidelity and Deposit Company of Maryland	Crime	\$5,000

Settlements have not exceeded coverage in any of the last three fiscal years. There has not been a significant reduction in coverage from the prior year.

For fiscal year 2000, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 19). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Company provides administrative, cost control and actuarial services to the GRP.

**Note 10 - Defined Benefit Pension Plans**

***A. School Employees Retirement System***

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

***Brunswick City School District***  
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Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2000, 5.5 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 1999, 7.7 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$316,435, \$381,449 and \$451,255, respectively; 45.63 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$172,055 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 School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

For the fiscal year ended June 30, 2000, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999 and 1998 were \$1,301,614, \$1,164,912, and \$1,895,023, respectively; 79.67 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$264,620 representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds.

***C. Social Security System***

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

***Brunswick City School District***  
*Notes to the General Purpose Financial Statements*  
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**Note 11 - Postemployment Benefits**

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired 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 on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependants are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of health care costs in the form of a monthly premium. By law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2000, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$1,735,485 for fiscal year 2000.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 1999, (the latest information available) the balance in the Fund was \$2,783 million. For the year ended June 30, 1999 net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2000, employer contributions to fund health care benefits were 8.50 percent of covered payroll, an increase of 2.20 percent for fiscal year 2000. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2000 fiscal year equaled \$489,035.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 1999 (the latest information available), were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$188.0 million. SERS has approximately 51,000 participants currently receiving health care benefits.

***Brunswick City School District***  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 12 - Other Employee Benefits**

***A. Compensated Absences***

The criteria for determining vacation, personal and sick leave benefits are derived from negotiated agreements and State laws. Employees earn three days of personal leave per year. This may not be accumulated. Classified employees and twelve month administrators earn ten to twenty-five days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated with no maximum. Upon retirement, payment is made for one-fourth of the first 160 days of total sick leave accumulation, 100 percent of the next twenty-five days and one-fourth of any remaining days. An employee receiving such payment must meet the retirement provisions set by STRS or SERS.

***B. Early Retirement Incentive***

The School District Board of Education approved an Early Retirement Incentive program. The enrollment period runs from December 1, 1996, through August 15, 2000. Participation is open to employees who are at least fifty years old, qualify for retirement with the years purchased by the Board, and agree to retire within ninety days after notification that credit had been purchased. The credit can not exceed the lesser of three years or one-fifth of each member's total Ohio teaching service. The School Board does not limit the number of employees participating in the plan in any one year. The Board has the option of paying the liability in its entirety or in installments. Early retirement incentive payments are reflected as debt service expenditures in the general purpose financial statements for governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

***C. Insurance***

The School District provides life insurance and accidental death and dismemberment insurance to most employees through various life insurance companies. The School District has elected to provide employee medical/surgical benefits through Medical Mutual of Ohio. The employees share the cost of the monthly premium with the Board. The premium varies with employee depending on the terms of the union contract. Dental and prescription insurance is provided by the School District to all employees through Medical Mutual of Ohio.



**Brunswick City School District**  
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**Note 13 - Long-Term Obligations**

The changes in the School District's long-term obligations during fiscal year 2000 were as following:

	Outstanding 6/30/99	Additions	Reductions	Outstanding 6/30/00
General Obligation Bonds:				
1979 6.0% School Improvement	\$200,000	\$0	\$200,000	\$0
1991 6.82% School Improvement	3,275,000	0	3,115,000	160,000
1993 5.85% School Improvement	1,900,000	0	1,620,000	280,000
1996 4.99% Energy Conservation	237,500	0	47,500	190,000
1999 4.39% School Improvement	9,950,000	0	300,000	9,650,000
2000 4.88-7.25% School Improvement				
Refunding Bonds	0	4,500,000	100,000	4,400,000
2000 5.28% School Improvement	0	7,729,100	0	7,729,100
<b>Total General Obligation Bonds</b>	<b>15,562,500</b>	<b>12,229,100</b>	<b>5,382,500</b>	<b>22,409,100</b>
Compensated Absences	3,407,933	495,115	191,696	3,711,352
Intergovernmental Payable	300,367	390,761	300,367	390,761
1978 Classroom Facilities Loan	976,190	0	160,147	816,043
Early Retirement Incentive	839,046	1,412,343	1,007,272	1,244,117
<b>Total General Long-Term Obligations</b>	<b>\$21,086,036</b>	<b>\$14,527,319</b>	<b>\$7,041,982</b>	<b>\$28,571,373</b>

The School District's overall legal debt margin was \$37,506,806 with an unvoted debt margin of \$658,448 at June 30, 2000.

General obligation bonds and classroom facilities loan will be paid from property taxes. Compensated absences will be paid from the fund from which the person is paid. The intergovernmental payable represents pension obligations paid outside the available period and will be paid from the fund from which the person is paid. Early retirement incentive was paid from the general fund.

On September 16, 1999, the School District issued \$4,500,000 in general obligation bonds with interest rates varying from 5.00 percent to 7.25 percent. Proceeds were used to refund \$4,500,000 of the outstanding 1991 and 1993 school improvement bonds, respectively. An analysis of this information follows:

	1991 School Improvement Bonds	1993 School Improvement Bonds	Total
Outstanding at 6/30/99	\$3,275,000	\$1,900,000	\$5,175,000
Amount Refunded	(2,965,000)	(1,535,000)	(4,500,000)
Non-Refunded Portion	310,000	365,000	675,000
Principal Payment on Non-Refunded Portion	(150,000)	(85,000)	(235,000)
<b>Outstanding at 6/30/00</b>	<b>\$160,000</b>	<b>\$280,000</b>	<b>\$440,000</b>

***Brunswick City School District***  
*Notes to the General Purpose Financial Statements*  
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The bonds were sold at a premium of \$345,134. Proceeds of \$4,762,281 (after premium, underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payment on the refunded portions of the 1991 and 1993 school improvement bonds. As a result, \$4,500,000 of these bonds are considered defeased and the liability for the refunded amount of these bonds has been removed from the general long-term obligations account group.

The School District decreased its total debt service payments by \$372,270 as a result of the advance refunding. The School District also incurred an economic gain (difference between the present values of the old and new debt services payments) of \$259,403.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2000, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Totals
2001	\$641,600	\$1,141,248	\$1,782,848
2002	672,500	1,110,989	1,783,489
2003	697,500	1,080,111	1,777,611
2004	732,500	1,047,739	1,780,239
2005	730,000	1,013,495	1,743,495
2006 - 2010	4,320,000	4,500,040	8,820,040
2011 - 2015	4,085,000	4,119,874	8,204,874
2016 - 2020	4,365,000	2,299,663	6,664,663
2021 - 2027	6,165,000	1,028,750	7,193,750
Total	<u>\$22,409,100</u>	<u>\$17,341,909</u>	<u>\$39,751,009</u>

Since the classroom facilities loan is being paid by remitting all collections of a .5 mill tax levy, no repayment schedule has been established. In 2023, after 23 years of payment, the balance of the loan is forgiven.

The interest on the early retirement incentive is calculated at 7.5 percent of each retiree's balance for fiscal year 2000. The interest is accrued from thirty days after the employee's retirement date. The School Board has elected to pay the liability for each retiree in three equal installments; the School District makes one payment to STRS in June of each fiscal year. \$782,819 will be paid in fiscal year 2001 and \$461,298 in fiscal year 2002.

**Brunswick City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

**Note 14 - Notes Payable**

A summary of the note activity for the year ended June 30, 2000, follows:

	Outstanding 6/30/99	Issued	Reductions	Outstanding 6/30/00
General Fund:				
1988 0.00% Asbestos Removal Loan	\$55,689	\$0	\$10,125	\$45,564
1994 5.25% Tax Anticipation Note	640,000	0	640,000	0
Total General Fund	695,689	0	650,125	45,564
Debt Service Fund:				
1999 3.57% School Improvement Note	9,950,000	0	9,950,000	0
Permanent Improvement Capital Projects Fund:				
1990 6.35-9.25% Energy Conservation Loan	327,000	0	155,000	172,000
Total All Funds	\$10,972,689	\$0	\$10,755,125	\$217,564

Each of these notes is backed by the full faith and credit of the Brunswick City School District. The note liability is reflected in the fund which received the proceeds. The notes will be repaid with tax revenue.

Principal and interest requirements to retire outstanding notes at June 30, 2000, are as follows:

Fiscal Year Ending June 30,	General Fund	Permanent Improvement Fund	Total
2001	\$10,125	\$178,106	\$188,231
2002	10,125	0	10,125
2003	10,125	0	10,125
2004	10,126	0	10,126
2005	5,063	0	5,063
Total	\$45,564	\$178,106	\$223,670

**Note 15 - State School Funding Decision**

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$17,526,390 of school foundation support for its general fund.

***Brunswick City School District***  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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In addition, the Court declared the classroom facilities program unconstitutional, because, in the Court's opinion, the program had not been sufficiently funded by the State. The classroom facilities program provided money to build schools and furnish classrooms. As of June 30, 2000, the School District had received a total loan of \$3.2 million under this program.

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

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

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

## **Note 16 - Contingencies**

### ***A. Grants***

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

### ***B. Litigation***

The School District is party to legal proceedings. The amount of the liability, if any, cannot be reasonably estimated at this time. However, in the opinion of management, any such claims and lawsuits will not have a material effect adverse on the overall financial position of the School District at June 30, 2000.

***Brunswick City School District***  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 17 - Segment Information for Enterprise Funds**

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

	Food Service	Uniform School Supplies	Total Enterprise Funds
Operating Revenues	\$1,192,135	\$16,221	\$1,208,356
Depreciation	10,266	0	10,266
Operating Income (Loss)	(279,730)	1,953	(277,777)
Donated Commodities	70,969	0	70,969
Operating Grants	228,964	0	228,964
Net Income	31,127	2,025	33,152
Fixed Assets:			
Additions	25,627	0	25,627
Long-term Compensated Absences	20,884	0	20,884
Net Working Capital	776,797	8,523	785,320
Total Assets	964,880	8,523	973,403
Total Equity	826,617	8,523	835,140
Encumbrances, June 30, 2000	3,500	404	3,904

**Note 18 - Jointly Governed Organizations**

*The Medina County Joint Vocational School* - The vocational school district 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 board of education is comprised of representatives appointed by the board of each participating school district. The board is responsible for approving its own budgets, appointing personnel, and accounting and finance related activities. Brunswick City School District students may attend the vocational school. Each school district's control is limited to its representation on the board. During fiscal year 2000, no monies were paid by Brunswick City School District. To obtain financial information write to the Medina Joint Vocational School, Floyd Parssons, who serves as Treasurer, at 1101 West Liberty, Medina, Ohio 44256.

*Ohio Schools Council* - The Ohio Schools Council Association (Council) is a jointly governed organization among eighty-three school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2000, the School District paid \$50 to the Council.

***Brunswick City School District***  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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Financial information can be obtained by contacting Albert G. Vasek, the Executive Secretary of the Ohio Schools Council at 155 Center Road, Bedford, Ohio 44146.

The School District participates in the Council's prepaid natural gas program which was implemented during fiscal year 1999. This program allows school district's to purchase natural gas at reduced rates, if the school district will commit to participating for a twelve year period. The participants make monthly payments based on estimated usage. Each month these estimated payments are compared to their actual usage and any necessary adjustments are made.

The City of Hamilton, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio, issued \$89,450,000 in debt to purchase twelve years of natural gas from CMS Energy Corporation for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is entitled to recover its contributions, if any, to the operating fund which are not encumbered for its share of program administrative costs.

**Note 19 - Insurance Purchasing Pool**

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

**Note 20 - Set-Asides**

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

**Brunswick City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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

	Textbooks	Capital Acquisition	Budget Stabilization
Set-aside Cash Balance as of June 30, 1999	\$0	\$0	\$737,643
Current Year Set-aside Requirement	891,450	891,450	297,150
Qualifying Disbursements	(936,226)	(1,060,867)	0
Set-aside Balance Carried Forward to Future Fiscal Years	(\$44,776)	(\$169,417)	\$1,034,793
Set-aside Reserve Balance as of June 30, 2000	\$0	\$0	\$1,034,793

The School District had qualifying disbursements and offsets during the fiscal year that reduced the textbook and capital improvements set-aside amounts below zero. These extra amounts may be used to reduce the set-aside requirements in future fiscal years. The total reserve balance for the three set-asides at the end of the fiscal year was \$1,034,793.

**Note 21 - Contractual Commitment**

As of June 30, 2000, the School District had contractual commitments for the following project:

Project	Contractual Commitment	Expended	Balance
Elementary school building renovations	\$4,975,172	\$1,437,314	\$3,537,858



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**BRUNSWICK CITY SCHOOL DISTRICT  
MEDINA 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
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	n/a	10.550		\$65,511		\$65,511
National School Lunch Program	043661-04-PU-00	10.555	\$239,770		\$239,770	
Total U.S. Department of Agriculture - Nutrition Cluster			<b>239,770</b>	<b>65,511</b>	<b>239,770</b>	<b>65,511</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States (IDEA Part B)						
	0436616BSF99P	84.027	24,044		74,937	
	0436616BSF00P		394,909		373,647	
			418,953		448,584	
Special Education - Preschool Grant						
	043661PGS199P	84.173	0		1,302	
	043661PGS12000P		26,428		21,222	
			26,428		22,524	
Total Special Education Cluster			<b>445,381</b>		<b>471,108</b>	
Eisenhower Math/Sci FY99						
	043661MS199	84.281	(20,604)			
	043661MS199C		20,604		15,023	
	043661MS198C		(257)		9,598	
	043661MS12000		20,449		10,805	
			20,192		35,426	
Grants to Local Educational Agencies (ESEA Title I)						
	043661C1S199	84.010	6,105		54,579	
	043661C1S199C		4,745		4,745	
	043661C1S100		205,895		191,848	
			216,745		251,172	
Innovative Educational Program Strategies						
	043661C2S198C	84.298	0		1,555	
	043661C2S199		(2,184)		6,963	
	043661C2S199C		7,104		5,448	
	043661C2S100		11,287		470	
			16,207		14,436	
Drug-Free Schools Grant						
	043661DRS199	84.186	(173)		7,775	
	043661DRS100		30,394		30,342	
			30,221		38,117	
School to Work BES						
	043661WK-BE99	17.249			14,202	
Reading Excellence						
	043661RNS100	84.338	44,396			
Class Size Reduction						
	043661CRS120000(A)	84.340	44,398		25,609	
Teacher of Year Entry Year Grant						
	n/a	84.276	5,000		2,770	
	043661G2S399				38,059	
			5,000		40,829	
Total Department of Education			<b>822,540</b>		<b>890,899</b>	
<b>Totals</b>			<b>\$1,062,310</b>	<b>\$65,511</b>	<b>\$1,130,669</b>	<b>\$65,511</b>

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

**BRUNSWICK CITY SCHOOL DISTRICT  
MEDINA COUNTY**

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

**NOTE A -SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B -FOOD DISTRIBUTION**

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

**NOTE C - MATCHING REQUIREMENTS**

Certain Federal programs require that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 Second Street, NW  
Fourth Floor  
Canton, Ohio 44702  
Telephone 330-438-0617  
800-443-9272  
Facsimile 330-471-0001  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

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

Brunswick City School District  
Medina County  
3643 Center Road  
Brunswick, Ohio 44212

To the Board of Education:

We have audited the general purpose financial statements of Brunswick City School District, Medina County, (the District) as of and for the year ended June 30, 2000, and have issued our report thereon dated December 15, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2000-10952-001 and 2000-10952-002.

We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 15, 2000.

**Internal Control Over Financial Reporting**

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

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 15, 2000.

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

December 15, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 Second Street, NW  
Fourth Floor  
Canton, Ohio 44702  
Telephone 330-438-0617  
800-443-9272  
Facsimile 330-471-0001  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

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

Brunswick City School District  
Medina County  
3643 Center Road  
Brunswick, Ohio 44212

To the Board of Education:

**Compliance**

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

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal 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 entities, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

December 15, 2000

**BRUNSWICK CITY SCHOOL DISTRICT  
MEDINA COUNTY**

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

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Special Education Cluster, CFDA #84.027, Special Education Grants to States & 84.173, Special Education Preschool Grant
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type AIB Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

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

**FINDING NUMBER 2000-10952-01**

Ohio Rev. Code Section 5705.39 requires that total appropriations from each fund not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

Total appropriations exceeded total estimated resources as follows:

Fund	Estimated Resources	Appropriations	Variance
Special Revenue Venture Capital Fund	\$156,385	\$211,718	\$55,333

In addition, on one occasion, the District did not obtain a certificate from the County Auditor that appropriations from each fund do not exceed the total Amended Official Estimate of Resources for certain appropriation and estimated resource amendments. The School Board should monitor appropriations versus estimated resources to help avoid overspending. In addition, the Treasurer should obtain the required amended certificate of estimated resources from the County Auditor when amending appropriations and estimated resources.

**FINDING NUMBER 2000-10952-002**

Ohio Rev. Code Section 5705.41(B) requires that no subdivision or taxing unit is to expend money unless it has been appropriated.

As a result of the Treasurer not obtaining approval for appropriations from the Board of Education, various object level expenditures plus outstanding encumbrances exceeded appropriations within the various funds/fund types at June 30, 2000. For example, within the Debt Service - Bond Retirement Fund/Debt Service: Principal Retirement, the appropriations were \$10,541,514 and the expenditures plus encumbrances were \$11,797,772 for a variance of \$1,256,258; and within the Debt Service - Bond Retirement Fund/Payment to Refund Bond Escrow, the appropriations were \$0 and the expenditures plus encumbrances were \$4,762,281 for a variance of \$4,762,281.

In addition, on one occasion, the appropriations posted to the District's Appropriation Reports did not agree to the District's actual Annual Appropriation Measure plus supplemental appropriation. The Treasurer should frequently compare actual expenditures plus outstanding encumbrances to appropriations at the object level to avoid potential overspending. In addition, the Treasurer should periodically review the District's Appropriations Reports to determine if the appropriation amounts are posted accurately and timely.

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

None.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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

**BRUNSWICK CITY SCHOOL DISTRICT**

**MEDINA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 02, 2001**