



**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2001**



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

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**STATE OF OHIO**



PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

Plain Local School District  
Stark County  
901 44<sup>th</sup> Street, NW  
Canton, Ohio 44709

To the Board of Education:

We have audited the accompanying general purpose financial statements of the Plain Local School District, Stark County, Ohio (the District) as of and for the year ended June 30, 2001, 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 auditing standards generally accepted in the United States of America 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 Plain Local School District, Stark County, Ohio as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3 to the general purpose financial statements, the District adopted Governmental Accounting Standards Board Statement No. 33. In addition, certain errors and omissions resulting in the understatement of fixed assets were discovered during the current year. Accordingly, the beginning balances for the Enterprise Fund and the General Fixed Assets Account Group were restated as of July 1, 2000 to correct for these errors.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2001 on our consideration of the District's internal control over financial reporting and on 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.

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

**Jim Petro**  
Auditor of State

November 14, 2001

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**PLAIN LOCAL SCHOOL DISTRICT**  
**STARK COUNTY, OHIO**  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 2001

	Governmental Fund Types				Proprietary	Fiduciary	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
<b>ASSETS AND OTHER DEBITS</b>									
<b>ASSETS:</b>									
Equity in pooled cash and cash equivalents . . . . .	\$14,551,514	\$555,052	\$1,893	\$553,095	\$499,562	\$229,564			\$16,390,680
Receivables (net of allowances of uncollectibles):									
Taxes - current & delinquent . . . . .	23,195,060		125,341						23,320,401
Accounts . . . . .	24,254								24,254
Accrued interest . . . . .	76,044								76,044
Interfund loans . . . . .	172,962								172,962
Due from other governments . . . . .		225,317			61,126				286,443
Prepayments. . . . .	66,860								66,860
↳ Materials and supplies inventory . . . . .	56,656				64,699				121,355
Restricted assets:									
Equity in pooled cash and cash equivalents . . . . .	203,450								203,450
Property, plant and equipment (net of accumulated depreciation where applicable) . . . . .					333,147		\$27,424,191		27,757,338
<b>OTHER DEBITS:</b>									
Amount available in debt service fund . . . . .								\$1,893	1,893
Amount to be provided for retirement of general long-term obligations . . . . .								3,671,476	3,671,476
Total assets and other debits . . . . .	<u>\$38,346,800</u>	<u>\$780,369</u>	<u>\$127,234</u>	<u>\$553,095</u>	<u>\$958,534</u>	<u>\$229,564</u>	<u>\$27,424,191</u>	<u>\$3,673,369</u>	<u>\$72,093,156</u>

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



**PLAIN LOCAL SCHOOL DISTRICT**  
**STARK COUNTY, OHIO**  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 2001

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>									
<b>LIABILITIES:</b>									
Accounts payable . . . . .	\$132,432	\$2,249		\$1,463	\$15,635				\$151,779
Accrued wages and benefits. . . . .	3,574,395	182,292			63,338				3,820,025
Compensated absences payable . . . . .	13,447				42,287			\$2,644,543	2,700,277
Pension obligation payable . . . . .	577,922	26,516			54,900			290,207	949,545
Interfund loan payable. . . . .		172,704				\$258			172,962
Deferred revenue . . . . .	22,644,949	28,133	\$125,341		31,603				22,830,026
Due to other governments. . . . .	145,832	11,011		250	3,047	128,546			288,686
Due to students . . . . .						78,410			78,410
Capital lease obligation . . . . .								88,619	88,619
Energy conservation bonds payable. . . . .								650,000	650,000
<b>Total liabilities . . . . .</b>	<b>27,088,977</b>	<b>422,905</b>	<b>125,341</b>	<b>1,713</b>	<b>210,810</b>	<b>207,214</b>		<b>3,673,369</b>	<b>31,730,329</b>
<b>EQUITY AND OTHER CREDITS:</b>									
Investment in general fixed assets. . . . .							\$27,424,191		27,424,191
Retained earnings: unreserved. . . . .					747,724				747,724
<b>Fund balances:</b>									
Reserved for encumbrances . . . . .	2,508,854	336,065		76,567		6,750			2,928,236
Reserved for materials and supplies inventory . . . . .	56,656								56,656
Reserved for prepayments . . . . .	66,860								66,860
Reserved for debt service . . . . .			\$1,893						1,893
Reserved for tax revenue unavailable for appropriation. . . . .	634,810								634,810
Reserved for BWC refunds . . . . .	203,450								203,450
<b>Unreserved:</b>									
Designated for budget stabilization. . . . .	827,747								827,747
Unreserved-undesignated (deficit) . . . . .	6,959,446	21,399		474,815		15,600			7,471,260
<b>Total equity and other credits. . . . .</b>	<b>11,257,823</b>	<b>357,464</b>	<b>1,893</b>	<b>551,382</b>	<b>747,724</b>	<b>22,350</b>	<b>27,424,191</b>		<b>40,362,827</b>
<b>Total liabilities, equity and other credits . . . . .</b>	<b>\$38,346,800</b>	<b>\$780,369</b>	<b>\$127,234</b>	<b>\$553,095</b>	<b>\$958,534</b>	<b>\$229,564</b>	<b>\$27,424,191</b>	<b>\$3,673,369</b>	<b>\$72,093,156</b>

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

**PLAIN LOCAL SCHOOL DISTRICT**  
**STARK COUNTY, OHIO**  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND  
 FOR THE YEAR ENDED JUNE 30, 2001

	Governmental Fund Types				Fiduciary Fund Type	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
<b>Revenues:</b>						
From local sources:						
Taxes . . . . .	\$19,693,357		\$127,183			\$19,820,540
Tuition. . . . .	384,299					384,299
Earnings on investments . . . . .	1,105,865	\$21,353		\$22,366	\$265	1,149,849
Extracurricular . . . . .	10	563,209				563,219
Other local revenues . . . . .	261,473	19,867			1,500	282,840
Other revenue. . . . .		17,247				17,247
Intergovernmental - state. . . . .	17,341,036	987,962		277,042		18,606,040
Intergovernmental - federal . . . . .	24,875	1,857,379				1,882,254
<b>Total revenue . . . . .</b>	<b>38,810,915</b>	<b>3,467,017</b>	<b>127,183</b>	<b>299,408</b>	<b>1,765</b>	<b>42,706,288</b>
<b>Expenditures:</b>						
Current:						
Instruction:						
Regular . . . . .	17,288,359	758,607		91,125		18,138,091
Special. . . . .	3,062,878	798,204				3,861,082
Vocational. . . . .	1,763,781	169,959		16,898		1,950,638
Other. . . . .	369,584	18,639				388,223
Support services:						
Pupil . . . . .	2,126,473	241,173				2,367,646
Instructional staff . . . . .	1,713,380	347,433				2,060,813
Board of Education . . . . .	21,594					21,594
Administration. . . . .	2,819,946	102,016				2,921,962
Fiscal. . . . .	595,938					595,938
Business . . . . .	102,674					102,674
Operations and maintenance. . . . .	3,566,652	1,836				3,568,488
Pupil transportation . . . . .	2,069,693	14,499				2,084,192
Central . . . . .	131,551	20,176			500	152,227
Community services. . . . .		16,493			3,693	20,186
Extracurricular activities . . . . .	502,225	710,367				1,212,592
Pass-through intergovernmental . . . . .		672,179				672,179
Debt service:						
Principal retirement . . . . .			90,000			90,000
Interest and fiscal charges. . . . .			37,183			37,183
<b>Total expenditures. . . . .</b>	<b>36,134,728</b>	<b>3,871,581</b>	<b>127,183</b>	<b>108,023</b>	<b>4,193</b>	<b>40,245,708</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	2,676,187	(404,564)		191,385	(2,428)	2,460,580
Other financing sources (uses):						
Operating transfers in. . . . .		142,581				142,581
Operating transfers out . . . . .	(142,581)					(142,581)
Proceeds from sale of assets . . . . .	3,737					3,737
<b>Total other financing sources (uses). . . . .</b>	<b>(138,844)</b>	<b>142,581</b>				<b>3,737</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses. . . . .	2,537,343	(261,983)	0	191,385	(2,428)	2,464,317
Fund balances, July 1 (restated) . . . . .	8,764,714	619,447	1,893	359,997	24,778	9,770,829
Decrease in reserve for inventory . . . . .	(44,234)					(44,234)
<b>Fund balances, June 30 . . . . .</b>	<b>\$11,257,823</b>	<b>\$357,464</b>	<b>\$1,893</b>	<b>\$551,382</b>	<b>\$22,350</b>	<b>\$12,190,912</b>

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

**PLAIN LOCAL SCHOOL DISTRICT**  
**STARK COUNTY, OHIO**  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED JUNE 30, 2001

	General			Special Revenue			Debt Service			Capital Projects			Total (Memorandum only)		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>															
From local sources:															
Taxes.....	\$20,186,847	\$20,186,847	\$0				\$127,183	\$127,183	\$0				\$20,314,030	\$20,314,030	\$0
Tuition.....	390,013	390,013	0										390,013	390,013	0
Earnings on investments.....	1,032,377	1,032,377	0	\$21,354	\$21,354	\$0				\$22,366	\$22,366	\$0	1,076,097	1,076,097	0
Extracurricular .....	9	9	0	563,209	563,209	0							563,218	563,218	0
Other local revenues.....	235,510	235,510	0	19,867	19,867	0							255,377	255,377	0
Other revenue .....				17,747	17,747	0							17,747	17,747	0
Intergovernmental - State.....	17,240,447	17,240,447	0	1,076,063	1,076,063	0				277,042	277,042	0	18,593,552	18,593,552	0
Intergovernmental - Federal.....	24,875	24,875	0	2,051,327	2,051,327	0							2,076,202	2,076,202	0
Total revenues.....	<u>39,110,078</u>	<u>39,110,078</u>	<u>0</u>	<u>3,749,567</u>	<u>3,749,567</u>	<u>0</u>	<u>127,183</u>	<u>127,183</u>	<u>0</u>	<u>299,408</u>	<u>299,408</u>	<u>0</u>	<u>43,286,236</u>	<u>43,286,236</u>	<u>0</u>
<b>Expenditures:</b>															
Current:															
Instruction:															
Regular.....	18,318,590	18,318,590	0	788,793	788,793	0				169,499	169,499	0	19,276,882	19,276,882	0
Special.....	4,021,024	4,021,024	0	790,653	790,653	0							4,811,677	4,811,677	0
Vocational.....	1,812,888	1,812,888	0	181,462	181,462	0				19,813	19,813	0	2,014,163	2,014,163	0
Other.....	351,883	351,883	0	19,928	19,928	0							371,811	371,811	0
Support services:															
Pupil.....	2,256,844	2,256,844	0	233,704	233,704	0							2,490,548	2,490,548	0
Instructional staff.....	1,721,856	1,721,856	0	368,805	368,805	0							2,090,661	2,090,661	0
Board of Education.....	28,654	28,654	0										28,654	28,654	0
Administration.....	2,859,586	2,859,586	0	99,772	99,772	0							2,959,358	2,959,358	0
Fiscal.....	603,366	603,366	0										603,366	603,366	0
Business.....	107,443	107,443	0										107,443	107,443	0
Operations and maintenance.....	4,208,589	4,208,589	0	2,081	2,081	0							4,210,670	4,210,670	0
Pupil transportation.....	2,116,110	2,116,110	0	15,968	15,968	0							2,132,078	2,132,078	0
Central.....	132,025	132,025	0	20,182	20,182	0							152,207	152,207	0
Community services.....				20,252	20,252	0							20,252	20,252	0
Extracurricular activities.....	497,723	497,723	0	863,446	863,446	0							1,361,169	1,361,169	0
Pass-through intergovernmental.....				820,676	820,676	0							820,676	820,676	0
Debt service:															
Principal retirement.....							90,000	90,000	0				90,000	90,000	0
Interest and fiscal charges.....							37,183	37,183	0				37,183	37,183	0
Total expenditures.....	<u>39,036,581</u>	<u>39,036,581</u>	<u>0</u>	<u>4,225,722</u>	<u>4,225,722</u>	<u>0</u>	<u>127,183</u>	<u>127,183</u>	<u>0</u>	<u>189,312</u>	<u>189,312</u>	<u>0</u>	<u>43,578,798</u>	<u>43,578,798</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures.....	73,497	73,497	0	(476,155)	(476,155)	0	0	0	0	110,096	110,096	0	(292,562)	(292,562)	0
Other financing sources (uses):															
Refund of prior year's expenditures....	116,861	116,861	0										116,861	116,861	0
Operating transfers in.....				142,581	142,581	0							142,581	142,581	0
Operating transfers out.....	(163,686)	(163,686)	0										(163,686)	(163,686)	0
Advances in.....	548,022	548,022	0	390,479	390,479	0							938,501	938,501	0
Advances out.....	(393,737)	(393,737)	0	(545,022)	(545,022)	0							(938,759)	(938,759)	0
Proceeds from sale of fixed assets.....	3,737	3,737	0										3,737	3,737	0
Total other financing sources (uses).....	<u>111,197</u>	<u>111,197</u>	<u>0</u>	<u>(11,962)</u>	<u>(11,962)</u>	<u>0</u>							<u>99,235</u>	<u>99,235</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.....	184,694	184,694	0	(488,117)	(488,117)	0	0	0	0	110,096	110,096	0	(193,327)	(193,327)	0
Fund balances, July 1.....	9,608,903	9,608,903	0	363,012	363,012	0	1,892	1,892	0	361,980	361,980	0	10,335,787	10,335,787	0
Prior year encumbrances appropriated....	2,334,748	2,334,748	0	341,843	341,843	0	0	0	0	2,989	2,989	0	2,679,580	2,679,580	0
Fund balances, June 30.....	<u>\$12,128,345</u>	<u>\$12,128,345</u>	<u>\$0</u>	<u>\$216,738</u>	<u>\$216,738</u>	<u>\$0</u>	<u>\$1,892</u>	<u>\$1,892</u>	<u>\$0</u>	<u>\$475,065</u>	<u>\$475,065</u>	<u>\$0</u>	<u>\$12,822,040</u>	<u>\$12,822,040</u>	<u>\$0</u>

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

**PLAIN LOCAL SCHOOL DISTRICT**  
**STARK COUNTY, OHIO**  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN RETAINED EARNINGS  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED JUNE 30, 2001

	Proprietary Fund Type
	Enterprise
Operating revenues:	
Sales/charges for services . . . . .	\$898,887
Total operating revenues. . . . .	898,887
Operating expenses:	
Personal services . . . . .	639,727
Contract services . . . . .	114,116
Materials and supplies. . . . .	755,818
Depreciation. . . . .	81,061
Total operating expenses. . . . .	1,590,722
Operating loss. . . . .	(691,835)
Nonoperating revenues:	
Operating grants. . . . .	514,317
Interest revenue . . . . .	29,716
Federal donated commodities . . . . .	98,624
Total nonoperating revenues. . . . .	642,657
Net loss. . . . .	(49,178)
Retained earnings at July 1 (restated). . . . .	796,902
Retained earnings, June 30 . . . . .	\$747,724

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

**PLAIN LOCAL SCHOOL DISTRICT**  
**STARK COUNTY, OHIO**  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED JUNE 30, 2001

	Proprietary Fund Type
	Enterprise
Cash flows from operating activities:	
Cash received from charges for services . . . . .	\$898,887
Cash payments for personal services . . . . .	(643,772)
Cash payments for contract services . . . . .	(100,277)
Cash payments for materials and supplies . . . . .	(637,272)
	(482,434)
Cash flows from noncapital financing activities:	
Cash received from operating grants . . . . .	529,952
	529,952
Cash flows from capital and related financing activities:	
Acquisition of capital assets . . . . .	(105,737)
	(105,737)
Cash flows from investing activities:	
Interest received . . . . .	29,716
	29,716
Net decrease in cash and cash equivalents . . . . .	(28,503)
Cash and cash equivalents at beginning of year . . . . .	528,065
Cash and cash equivalents at end of year . . . . .	\$499,562
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss . . . . .	(\$691,835)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation . . . . .	81,061
Federal donated commodities . . . . .	98,624
Changes in assets and liabilities:	
Decrease in materials and supplies inventory . . . . .	29,681
Increase in accounts payable . . . . .	15,069
Decrease in accrued wages and benefits . . . . .	(1,106)
Decrease in compensated absences payable . . . . .	(6,362)
Increase in due to other governments . . . . .	1,008
Increase in pension obligation payable . . . . .	2,415
Decrease in deferred revenue . . . . .	(10,989)
	(482,434)

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

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**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001**

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

The Plain Local School District (“the District”) was established through the consolidation of existing land areas and school districts and is organized under Section 2 and 3, Articles VI of the Constitution of the State of Ohio. Under such laws there is no authority for a school district to have a charter or adopt local laws. The legislative power of the school district is vested in the Board of Education, consisting of five members elected at large for staggered four-year terms.

The District ranks as the 47th largest by total revenue among the 682 public and community school districts in the State, and 2nd largest in Stark County. The District employs 268 non-certified and 489 certified employees to provide services to 6,207 students in grades K through 12 and various community groups.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The general purpose financial statements (GPFS) of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued prior to November 30, 1989 to its proprietary activities unless those pronouncements conflict with or contradict GASB pronouncements. The District's significant accounting policies are described below.

**A. Reporting Entity**

The District's reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity.” When applying GASB Statement No. 14, management has considered all potential component units. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the District's ability to exercise significant oversight responsibility. The most significant manifestation of this ability is financial interdependence.

Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of the governing authority, the designation of management, the ability to significantly influence operations, and the accountability for fiscal matters.

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

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

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

*JOINTLY GOVERNED ORGANIZATION*

The District is a member of the Stark-Portage Area Computer Consortium (SPARCC), a jointly governed organization which provides computer services to the school districts within the boundaries of Stark and Portage Counties. Each District's superintendent serves as a representative on the Board, which consists of approximately 31 member districts. However, SPARCC is primarily governed by a five member executive board which is made up of two representatives from Stark County, two from Portage County, and a Treasurer. The Board meets monthly to address any current issues.

*PUBLIC ENTITY RISK POOL*

The Stark County Council of Governments ("the Council") is governed by an assembly which consists of one representative from each participating school district (usually the superintendent or designee). The assembly elects officers for one year terms to serve as the Board of Directors. The assembly exercises control over the operation of the Council. All Council revenues are generated from charges for services. The Council has a Health Benefits Program which is a shared risk pool comprised of 15 Stark County school districts.

The Council also sponsors a workers' compensation group rating plan which is an insurance purchasing pool.



**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

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

**B. Fund Accounting**

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

*GOVERNMENTAL FUNDS*

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

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

*Special Revenue Funds* - The special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

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

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

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

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

*PROPRIETARY FUND*

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

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

*FIDUCIARY FUNDS*

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

*ACCOUNT GROUPS*

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

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

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

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

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

**C. Measurement Focus/Basis of Accounting**

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

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

The modified accrual basis of accounting is followed for governmental funds and expendable trust funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period, which for the District is 60 days after the June 30 year-end. Revenues accrued at the end of the year include taxes, (to the extent they are intended to finance the current fiscal year), interest, and accounts (student fees and tuition). Current property taxes measurable as of June 30, 2001, and which are intended to finance fiscal 2002 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) are recognized as revenue. In proprietary funds, unused donated commodities are reported as deferred revenue.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the modified accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied and the resources are available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been met and the resources are available.

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

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

The District reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the recognition of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

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

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

On the accrual basis of accounting, revenue from nonexchange transactions, such as grants, entitlements and donations, is recognized in the fiscal year in which all eligibility requirements have been met. The proprietary funds receive no revenue from property taxes.

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

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

**D. Budgets**

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

1. Prior to January 15 of the preceding year, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the Board-adopted budget is filed with the Stark County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final Amended Certificate issued for fiscal year 2001.
4. By July 1, the annual Appropriation Resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation total.

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

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

5. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.
7. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal 2001. The amounts reported in the budgetary statement reflect the original appropriations plus all modifications legally enacted by the Board.
8. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund level.

Encumbrance accounting is utilized with District funds in the normal course of operations for purchase orders and contract related expenditures. An encumbrance is a reserve on the available spending authority due to commitment for a future expenditure and does not represent a liability. For governmental fund types, encumbrances outstanding at year-end appear as a reserve to the fund balance on a GAAP basis and as the equivalent of expenditures on a non-GAAP budgetary basis in order to demonstrate legal compliance. For enterprise funds, encumbrances outstanding at year-end appear as a footnote disclosure in Note 12. Note 15 provides a reconciliation of the budgetary and GAAP basis of accounting and disclosure of the encumbrances outstanding for governmental fund types at fiscal year-end.

**E. Cash and Investments**

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

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

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

During fiscal year 2001, investments were limited to federal agency notes, repurchase agreements, investments in the State Asset Treasury Reserve of Ohio (STAR Ohio) and nonnegotiable certificates of deposit. The federal agency notes and investments in STAR Ohio are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit and 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, 2001.

Under existing Ohio statutes all investment earnings are assigned to the general fund except for those specifically related to the auxiliary services fund, public schools support fund, permanent improvement fund and certain trust funds individually authorized by board resolution. Interest revenue credited to the general fund during fiscal year 2001 amounted to \$1,105,865 which includes \$72,155 assigned from other District funds.

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

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

**F. Inventory**

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

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

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

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

**G. Fixed Assets and Depreciation**

1. General Fixed Assets Account Group

General fixed assets are capitalized at cost or estimated historical cost. Donated fixed assets are recorded at their fair market values as of the date donated. The District follows the policy of not capitalizing assets with a cost of less than \$750 and a useful life of less than one year, except for the cost of textbooks and library books. This is based primarily on the uniqueness of these items to a school operation and on an existing five-year textbook adoption policy.

No depreciation is recognized for assets in the general fixed assets account group. The District has not included infrastructure in the general fixed assets account group.

2. Proprietary Fund

Equipment reflected in the proprietary fund is stated at historical cost or estimated historical cost and updated for the cost of additions and retirements during the year. Contributed fixed assets are recorded at their fair market values as of the date donated. Depreciation has been provided, where appropriate, on a straight-line basis over an estimated useful life of ten years.

**H. Intergovernmental Revenues**

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



**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001**

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

Entitlements

General

State Foundation Program

Non-Reimbursable Grants

Special Revenue Funds

Management Information Systems  
Teacher Development  
Career Development  
Disadvantaged Pupil Impact Aid  
Raising The Bar Program  
Networking For Systemic Improvement  
Title VI-R  
Vocational Education  
Auxiliary Services  
Title VI-B  
Title I  
Title VI  
Drug-Free Schools Grant  
EHA Preschool Grant  
Consumer Education Projects  
Post Secondary Education  
School Net Professional Development  
Ohio Reads  
Summer Intervention  
Safe School Helping  
Entry Year Planning  
School Conflict Management  
Eisenhower Grant

Reimbursable Grants

General

Driver Education Reimbursement  
School Bus Reimbursement

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

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

Reimbursable Grants - (Continued)

Capital Projects Fund

Vocational Education Equipment Fund  
SchoolNet

Proprietary Fund

National School Breakfast Program  
Government Donated Commodities  
National School Lunch Program

Grants and entitlements amounted to approximately 48% of the District's operating revenue during the 2001 fiscal year.

**I. Compensated Absences**

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

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

For purposes of establishing a liability for sick pay on employees expected to become eligible to retire in the future, all employees age 50 or greater with at least 10 years of service and all employees with at least 20 years of service at any age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

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

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

Accumulated vacation and severance of governmental fund type employees meeting the above requirements have been recorded in the appropriate governmental fund as a current liability to the extent that the amounts are expected to be payable within the current available period. The balance of the liability is recorded in the general long-term obligations account group. Vacation and sick leave for employees meeting the above requirements who are paid from proprietary funds is recorded as an expense when earned.

**J. Long-Term Obligations**

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term obligations account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

**K. Fund Reserves/Designations**

Reserved fund balances indicate that portion of fund equity which is not available for current appropriation or is legally segregated for a specific use. Designated fund balance indicates that portion of fund equity for which management has an intended use of the resources. Fund balances are reserved for encumbrances, materials and supplies inventory, prepayments, debt service, Bureau of Workers Compensation (BWC) refunds and tax advance unavailable for appropriation. The unreserved portions of fund equity reflected for the governmental funds are available for use within the specific purposes of those funds. The reserve for tax revenue unavailable for appropriation represents taxes recognized as revenue under GAAP but not available for appropriations under State statute. The amount set-aside by the School Board for budget stabilization is reported as a designation of fund balance in the general fund.

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

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

**L. Interfund Transactions**

During the course of normal operations, the District has numerous transactions between funds. The most significant include:

1. Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded as operating transfers, with the exception of agency funds, which do not show transfers of resources as operating transfers.
2. Reimbursements from one fund to another are treated as expenditures/expenses in the reimbursing fund and a reduction in expenditures/expenses in the reimbursed fund. Quasi-external transactions are accounted for as revenues, expenditures or expenses.
3. Short-term interfund loans and accrued interfund reimbursements and accrued operating transfers are reflected as "interfund loans receivable or payable". The District had short-term interfund loans receivable and payable at June 30, 2001.
4. Long-term interfund loans that will not be repaid within the next year are termed "advances" and are shown as reservations of fund balances on the combined balance sheet for those funds that report advances to other funds as assets because they are not spendable, available resources. The District had no long-term advances receivable or payable at June 30, 2001.

An analysis of interfund transactions is presented in Note 5.

**M. Estimates**

The preparation of the GPFS in conformity with GAAP 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.

**N. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents that are restricted in use by State statute. A fund balance reserve has also been established. See Note 18 for details.

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

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

**O. Prepays**

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

**P. Parochial and Private Schools**

Within the District boundaries, St. Michael's Schools and Our Lady of Peace Schools are operated through the Youngstown Catholic Diocese. Also within the District boundaries, is Canton County Day Schools, which is privately operated. Current State legislation provides funding to these schools. These monies are received and disbursed on behalf of these schools by the Treasurer of the District, as directed by the schools. The fiduciary responsibility of the District for these monies is reflected in a special revenue fund for financial reporting purposes.

**Q. Memorandum Only - Total Columns**

Total columns on the GPFS are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with GAAP. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

**NOTE 3 -ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principle**

GASB Statement No. 33, “Accounting and Financial Reporting for Nonexchange Transactions,” was implemented during fiscal 2001. This statement pertains to the financial reporting of certain types of revenue received by the District for which no value is given in return, including derived tax revenues, imposed nonexchange transactions, government-mandated nonexchange transactions, and voluntary nonexchange transactions. The adoption of this statement had the following effect on fund balances as previously reported by the District at June 30, 2000:

	<u>Special Revenue Funds</u>
Fund balance as previously reported	\$528,947
GASB Statement No. 33 implementation	<u>90,500</u>
Restated fund balance as of July 1, 2000	<u>\$619,447</u>

**B. Prior Period Adjustment**

Due to errors and omissions in the amounts previously reported in the general fixed asset account group (See Note 8) and the Food Service enterprise fund, a prior period adjustment is required to properly state the fixed assets at June 30, 2000. The prior period adjustment had the following effect on retained earnings as previously reported as of June 30, 2000:

	<u>Enterprise Fund</u>
Retained earnings as previously reported	\$653,526
Restatement for errors and omissions	<u>143,376</u>
Restated retained earnings as of July 1, 2000	<u>\$796,902</u>

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

**C. Deficit Fund Balances**

Fund balance at June 30, 2001 included the following individual fund deficits:

	<u>Deficit Balance</u>
<u>Special Revenue Funds</u>	
Economic Education Projects	\$ 33
Ohio Reads	3,572
Career Development	14,890
Drug-Free School	2,597
Teacher Development	200
Disadvantaged Pupil Impact Aid	1,197
EHA Preschool Grant	99
Management Information Systems	154
Schoolnet Professional Development	15
Corporate Cup	579
Title I	75,781

Each of these funds complied with Ohio state law, which does not permit a cash basis deficit at year-end.

The deficit balances in the Ohio Reads, Drug-Free School, Teacher Development, Disadvantaged Pupil Impact Aid, EHA Preschool Grant, Management Information Systems and Schoolnet Professional Development Special funds are caused by the application of GAAP, namely in the reporting of a liability for accrued wages and benefits attributable to the fiscal year. These deficits will be eliminated as revenues become available to cover these costs as they are incurred.

The deficit balances in the Economic Education Projects, Career Development, Corporate Cup and Title I special revenue funds are caused by the application of GAAP, namely in the reporting of a liability for short-term interfund loans received and for accrued wages attributable to the fiscal year. These deficit balances will be eliminated as revenues become available to repay the short-term interfund loans and to cover the costs of the wages as they are incurred.

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

**D. Agency Funds**

The following are accrual for the agency funds, which, in another fund type, would be recognized in the combined balance sheet:

<u>LIABILITIES</u>	
Accounts payable	\$1,535

**NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS**

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

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

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

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

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



**PLAIN LOCAL SCHOOL DISTRICT  
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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and that the term of the agreement must not exceed 30 days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 25% of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

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

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

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

*Deposits:* At year-end, the carrying amount of the District's deposits, including nonnegotiable certificates of deposit, was \$977,305 and the bank balance, including nonnegotiable certificates of deposit was \$1,288,017. Of the bank balance:

1. \$209,453 was covered by federal depository insurance.
2. \$1,078,564 was uninsured and unregistered as defined by GASB although it was secured by collateral held by third party trustees, pursuant to section 135.181 Ohio Revised Code, in collateralized pools securing all public funds on deposit with specific depository institutions; these securities not being in the name of the District. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the District to a successful claim by the FDIC.

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

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

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

	Category 2	Reported Amount	Fair Value
Repurchase agreement	\$ 221,674	\$ 221,674	\$ 221,674
Federal agency securities	<u>1,590,233</u>	1,590,233	1,590,233
Total	<u>\$1,811,907</u>		
Investment in STAR Ohio		<u>13,804,918</u>	<u>13,804,918</u>
Total Investments		<u>\$15,616,825</u>	<u>\$15,616,825</u>

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

A reconciliation between the classifications of equity in pooled cash and cash equivalents on the Combined Balance Sheet (per GASB Statement No. 9) and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$ 16,594,130	\$ 0
Investments of the cash management pool:		
Repurchase agreement	(221,674)	221,674
Federal agency securities	(1,590,233)	1,590,233
Investment in STAR Ohio	<u>(13,804,918)</u>	<u>13,804,918</u>
GASB Statement No. 3	<u>\$ 977,305</u>	<u>\$15,616,825</u>

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

**NOTE 5 - INTERFUND TRANSACTIONS**

A. Interfund balances at June 30, 2001, consist of the following individual interfund loans receivable and payable:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$172,962	\$ ---
<u>Special Revenue Funds</u>		
School Conflict Management	---	1,000
Consumer Education Projects	---	2,400
Career Development	---	14,288
District Managed Student Activities	---	11,435
Vocational Education	---	27,481
Title I	---	99,500
Drug-Free School Grant	---	400
Corporate Cup	---	500
Title VI-R	---	15,700
<u>Agency Fund</u>		
Student Managed Activities	---	258
Totals	<u>\$172,962</u>	<u>\$172,962</u>

B. The following is a summarized breakdown of the District's operating transfers for fiscal year 2001:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ ---	\$142,581
<u>Special Revenue Funds</u>		
Public School Support	29,441	---
District Managed Student Activity	<u>113,140</u>	<u>---</u>
Totals	<u>\$142,581</u>	<u>\$142,581</u>

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

**NOTE 6 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis. Distributions from the second half of the calendar year occur in a new fiscal year and are intended to finance the operations of that year. Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the District. Real property taxes and public utility taxes are levied after November 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at 35% of appraised market value.

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

Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. Tangible personal property assessments are 25% of true value. The assessed value upon which the 2000 taxes were collected was \$790,517,443. Agricultural/residential and public utility/minerals real estate represented 76.48% or \$604,557,300 of this total; Commercial & industrial real estate represented 15.86% or \$125,353,560 of this total, public utility tangible represented 3.70% or \$29,234,470 of this total and general tangible property represented 3.96% or \$31,372,113 of this total. The voted general tax rate at the fiscal year ended June 30, 2001 was \$52.60 per \$1,000.00 of assessed valuation for operations.

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

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

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes, which became measurable as of June 30, 2001. Although total property tax collections for the next fiscal year are measurable, they are not (exclusive of advances) intended to finance current year operations. The net receivable (total receivable less amount available intended to finance the current year) is therefore offset by a credit to deferred revenue. The amount of tax advance available at year-end was \$634,810 and has been recorded as revenue.

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

**NOTE 6 - PROPERTY TAXES - (Continued)**

Taxes available for advance and recognized as revenue, but not received by the district prior to June 30, 2001, are reflected as a reservation of fund balance for future appropriations. The District is prohibited, by law, from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year-end.

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2001 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest, interfund loans, and intergovernmental grants (to the extent such grants relate to the current fiscal year). Intergovernmental grants receivable have been presented as "Due from other governments" on the combined balance sheet. Taxes and intergovernmental receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes and the stable condition of state programs.

A summary of the principal items of receivables follows:

	<u>Amounts</u>
<u>General Fund</u>	
Taxes - current & delinquent	\$23,195,060
Accounts	24,254
Accrued interest	76,044
Interfund loans	172,962
 <u>Special Revenue Fund</u>	
Due from other governments	225,317
 <u>Debt Service Fund</u>	
Taxes - current & delinquent	125,341
 <u>Enterprise Fund</u>	
Due from other governments	61,126

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

**NOTE 8 - FIXED ASSETS**

- A. The general fixed asset account group has been restated as of July 1, 2000, due to errors and omissions. In addition, vehicles, which were previously reported in furniture, fixtures and equipment, are reported separately.

	<u>Balance June 30, 2000</u>	<u>Adjustment</u>	<u>Restated Balance July 1, 2000</u>
Land/improvements	\$ 338,525	\$ 1,393,808	\$ 1,732,333
Buildings/improvements	11,315,391	198,810	11,514,201
Furniture, fixtures and equipment	11,427,089	(4,172,061)	7,255,028
Vehicles	0	3,493,396	3,493,396
Textbooks and library books	<u>1,444,533</u>	<u>1,080,661</u>	<u>2,525,194</u>
Total	<u>\$24,525,538</u>	<u>\$ 1,994,614</u>	<u>\$26,520,152</u>

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

	<u>Restated Balance July 1, 2000</u>	<u>Increase</u>	<u>(Decrease)</u>	<u>Balance June 30, 2001</u>
Land/improvements	\$ 1,732,333	\$ ---	\$ ---	\$ 1,732,333
Buildings/improvements	11,514,201	---	---	11,514,201
Furniture, fixtures and equipment	7,255,028	894,505	(14,564)	8,134,969
Vehicles	3,493,396	344,291	(320,193)	3,517,494
Textbooks and library books	<u>2,525,194</u>	<u>---</u>	<u>---</u>	<u>2,525,194</u>
Total	<u>\$26,520,152</u>	<u>\$1,238,796</u>	<u>\$(334,757)</u>	<u>\$27,424,191</u>

There was no significant construction in progress at June 30, 2001.

**PLAIN LOCAL SCHOOL DISTRICT  
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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

**NOTE 8 - FIXED ASSETS - (Continued)**

B. A summary of the proprietary fixed assets at June 30, 2001 follows:

Furniture, fixtures and equipment	\$ 961,640
Less: accumulated depreciation	<u>(628,493)</u>
Net fixed assets	<u>\$ 333,147</u>

**NOTE 9 - CAPITALIZED LEASES - LESSEE DISCLOSURE**

During a previous year, the District entered into a capital lease for computer equipment. The terms of the lease agreements provide options to purchase the copier and modular units at lease end. The leases meet the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital lease payments have been reclassified and are reflected as debt service in the Combined Financial Statements for the Governmental Funds. These expenditures are reflected as program/function expenditures on a budgetary basis. General fixed assets acquired by lease have been capitalized in the general fixed asset account group in an amount equal to the present value of the future minimum lease payments as of the date of their inception. A corresponding liability was recorded in the general long-term obligation account group. The District did not make any principal and interest payments in fiscal year 2001.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2001:

<u>Year Ending</u>	<u>General Long-Term Obligations</u>
2002	<u>\$100,308</u>
Total minimum lease payments	100,308
Less: amount representing interest	<u>(11,689)</u>
Present value of future minimum lease payments	<u>\$ 88,619</u>



**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

**NOTE 10 - LONG-TERM OBLIGATIONS**

A. During fiscal year 1997, the District issued \$980,000 in energy conservation bonds to provide for energy improvements to various District buildings. The primary source of repayment of these bonds is through energy savings as a result of the improvements.

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

The following is a description of the District's energy conservation bonds outstanding as of June 30, 2001:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Bonds Outstanding July 1, 2000</u>	<u>Bonds Issued in 2001</u>	<u>Bonds Retired in 2001</u>	<u>Bonds Outstanding June 30, 2001</u>
Energy conservation bonds	5.35%	11/1/06	<u>\$740,000</u>	<u>\$ - - -</u>	<u>\$(90,000)</u>	<u>\$650,000</u>

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

<u>Fiscal Year Ending</u>	<u>Principal on Bonds</u>	<u>Interest on Bonds</u>	<u>Total</u>
2002	\$ 95,000	\$ 32,234	\$127,234
2003	100,000	27,018	127,018
2004	105,000	21,534	126,534
2005	110,000	15,783	125,783
2006	115,000	9,764	124,764
2007	<u>125,000</u>	<u>3,344</u>	<u>128,344</u>
Total	<u>\$650,000</u>	<u>\$109,677</u>	<u>\$759,677</u>

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

C. During the year ended June 30, 2001, the following changes occurred in the liabilities reported in the general long-term obligations account group. Compensated absences and the pension obligations will be paid from the fund in which the employee was paid. Compensated absences and the pension obligation are presented net of actual increases and decreases because of the impracticality of determining these values.

	Balance <u>July 1, 2000</u>	<u>Increase</u>	<u>(Decrease)</u>	Balance <u>June 30, 2001</u>
Compensated absences	\$2,469,329	\$175,214	\$ - - -	\$2,644,543
Pension obligation	283,414	290,207	(283,414)	290,207
Energy conservation bonds payable	740,000	- - -	(90,000)	650,000
Capital lease obligation	<u>88,619</u>	<u>- - -</u>	<u>- - -</u>	<u>88,619</u>
Total	<u>\$3,581,362</u>	<u>\$465,421</u>	<u>\$(373,414)</u>	<u>\$3,673,369</u>

**D. Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The effects of these debt limitations at June 30, 2001 are a voted debt margin of \$70,498,463 (including available funds of \$1,893) and an unvoted debt margin of \$790,517.

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

**NOTE 11 - RISK MANAGEMENT**

**A. Comprehensive**

The District maintains comprehensive insurance coverage with private carriers for liability, real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. In addition, real property contents are 90% coinsured. The following is a description of the District's insurance coverage:

<u>Coverage</u>	<u>Insurer</u>	<u>Limits of Coverage</u>	<u>Deductible</u>
General liability:	Nationwide/Wausau		
Each occurrence		\$ 2,000,000	\$ 0
Aggregate		\$ 5,000,000	\$ 0
Building and contents	Indiana Insurance	\$95,442,314	\$ 5,000
Fleet:	Indiana Insurance		
Comprehensive		\$ 1,000,000	\$ 500
Collision		\$ 1,000,000	\$ 250
Umbrella liability	Nationwide/Wausau	\$ 2,000,000	\$ 10,000

Settled claims have not exceeded this commercial coverage in any of the past three years.

**B. Shared Risk Pool**

The District is a participant in the Stark County Schools Council of Governments (the "COG") for the purpose of obtaining benefits at a reduced premium for both health care and workers' compensation.

The District's insurance program for health care is administered by Mutual Health Services Company. Payments are made to the COG for the monthly attachment point, monthly stop-loss premiums, and administrative charges. The fiscal agent of the COG is the Stark County Educational Service Center. The Treasurer of the Stark County Educational Service Center pays Mutual Health Services monthly for the actual amount of claims processed, the stop-loss premium, and the administrative charges.

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001**

**NOTE 11 - RISK MANAGEMENT - (Continued)**

The District also participates in a program within the COG to obtain workers' compensation coverage. This program is administered by Comp Management Inc. The experience rating of each of the participating districts is calculated as one experience rate and applied to all participants in the program. Premiums paid to the State are based on this calculation. Total savings are then determined and each participant's performance is compared to the overall savings percentage of the program. The districts will then either receive money back or be required to contribute additional money to the program. This process insures that each participant pays an equitable share of the cost.

**NOTE 12 - SEGMENT INFORMATION - ENTERPRISE FUNDS**

The District maintains one enterprise fund which provides lunchroom/cafeteria services, therefore segment information for the year ended June 30, 2001 is not presented in these notes. The enterprise fund had \$51,635 in encumbrances outstanding at June 30, 2001.

**NOTE 13 - DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the School Employees Retirement Board. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634, or by calling (614) 222-5853.

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Plan members are required to contribute 9% of their annual covered salary and the District is required to contribute 14% for 2001; 4.2% was the portion to fund pension obligations. The contribution rates are not determined actuarially, but are established by the School Employees Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The District's required contributions to SERS for the fiscal years ended June 30, 2001, 2000 and 1999 were \$655,365, \$683,979, and \$670,212, respectively; 43.18% has been contributed for fiscal year 2001 and 100% for the fiscal years 2000 and 1999. \$372,348, representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds and the general long-term obligations account group.

**B. State Teachers Retirement System**

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

Plan members are required to contribute 9.3% of their annual covered salary and the District is required to contribute 14%; 9.5% was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's required contributions to STRS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$2,836,781, \$2,741,681, and \$2,606,580, respectively; 82.75% has been contributed for fiscal year 2001 and 100% for the fiscal years 2000 and 1999. \$489,332, representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the SERS or the STRS have an option to choose Social Security or the SERS/STRS. The Board's liability is 6.2% of wages paid.

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001**

**NOTE 14 - POSTEMPLOYMENT BENEFITS**

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. For this fiscal year, the Board allocated employer contributions equal to 4.5% of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$911,822 during fiscal 2001.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$3.419 billion at June 30, 2000 (the latest information available). For the year ended June 30, 2000 (the latest information available), net health care costs paid by STRS were \$283.137 million and STRS had 99,011 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than 25 years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium.

For this fiscal year, employer contributions to fund health care benefits were 9.8% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund.

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001**

**NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)**

The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2000 (the latest information available), were \$140.7 million and the target level was \$211.0 million. At June 30, 2000 (the latest information available), SERS had net assets available for payment of health care benefits of \$252.3 million and SERS had approximately 50,000 participants receiving health care benefits. For the District, the amount to fund health care benefits, including surcharge, equaled \$546,484 during the 2001 fiscal year.

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING**

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, encumbrances are recorded as the equivalent of an expenditure (budget basis) as opposed to a reservation of fund balance for governmental funds (GAAP basis).

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

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

	<b>Excess Deficiency and Other Financing Sources Over/Under Expenditures and Other Financing Uses</b>			
	Governmental Fund Types			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Budget basis	\$ 184,694	\$(488,117)	\$ 0	\$110,096
Net adjustment for revenue accruals	(299,163)	(282,550)	---	---
Net adjustment for expenditure accruals	260,949	15,827	---	3,259
Net adjustment for other financing sources (uses)	(250,041)	154,543	---	---
Encumbrances (budget basis)	<u>2,640,904</u>	<u>338,314</u>	<u>---</u>	<u>78,030</u>
GAAP basis	<u>\$2,537,343</u>	<u>\$(261,983)</u>	<u>\$ 0</u>	<u>\$191,385</u>



**PLAIN LOCAL SCHOOL DISTRICT  
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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

**NOTE 16 - CONTINGENCIES**

**A. Grants**

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 2001.

**B. Litigation**

The District is party to legal proceedings. The District is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the District.

**C. State School Funding Decision**

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

**NOTE 16 - CONTINGENCIES - (Continued)**

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of November 14, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

On November 2, 2001, the Court granted this motion for reconsideration. The Court may re-examine and redetermine any issue upon such reconsideration.

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

**NOTE 17 - DISTRICT AS A FISCAL AGENT**

Vocational Agreement

The District serves as the fiscal agent for a four-district vocational compact formed to provide vocational education programs for the students in each district in the most effective and efficient manner possible. The other districts included in the agreement are: North Canton City Schools, Jackson Local Schools and Lake Local Schools. The term of the present agreement is July 1, 1996 through June 30, 2001. North Canton, Jackson and Plain offer vocational programs which conform to the regulations and statutes of the State of Ohio. Lake Local reimburses the other districts at a constant rate of \$900 per pupil for a minimum of 20% of its 11<sup>th</sup> and 12<sup>th</sup> grade enrollment as certified to the State Department of Education the first full week of October each year. Payment to each district will be based on the percentage of students in each district's program. Lake also pays North Canton, Jackson and Plain \$500 for each pupil above the minimum.

Each district also contributes \$100 toward permanent improvement and capital equipment for each student they have in attendance at a site. The District redistributes this allocation to North Canton, Jackson and Plain.

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

**NOTE 18 - STATUTORY RESERVES**

The District is required by State law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2001, the reserve activity was as follows:

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Set-aside cash balance as of June 30, 2000	\$ (128,228)	\$ 0	\$ 742,294
Current year set-aside requirement	838,950	838,950	---
Elimination of budget stabilization reserve	---	---	(742,294)
Current year offsets	---	---	---
Qualifying disbursements	<u>(1,036,398)</u>	<u>(1,143,661)</u>	<u>---</u>
Total	<u>\$ (325,676)</u>	<u>\$ (304,711)</u>	<u>\$ 0</u>
Cash balance carried forward to FY 2002	<u>\$ (325,676)</u>	<u>\$ 0</u>	<u>\$ 0</u>

Effective April 10, 2001, Am. Sub. Senate Bill 345 amended ORC Section 5705.29 effectively eliminating the requirement for the District to establish and maintain a budget stabilization reserve. Monies representing BWC refunds that were received prior to April 10, 2001, have been shown as a restricted asset and reserved fund balance in the general fund since allowable expenditures are restricted by State statute. All remaining monies previously reported in the budget stabilization reserve are now reported as designated fund balance in the general fund since the School Board reestablished a budget stabilization reserve in accordance with ORC Section 5705.13 by June 30, 2001. In addition to these funds, the District added \$288,903 to the budget stabilization reserve in fiscal 2001. The balance in the budget stabilization designation at June 30, 2001, was \$827,747. The District is still required by State law to maintain the textbook reserve and the capital acquisition reserve.

Although the District had offsets and qualifying disbursements during the year that reduced the set-aside amount below zero for the capital acquisition reserve, this extra amount may not be used to reduce the set-aside requirement for future years. The negative amount is therefore not presented as being carried forward to the next fiscal year. The amount of qualifying disbursements exceeding the set-aside requirement in the textbooks reserve may be carried forward to reduce the set-aside requirement for future years.

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001**

**NOTE 18 - STATUTORY RESERVES - (Continued)**

A schedule of the restricted assets at June 30, 2001 follows:

Amount restricted for BWC refunds	<u>\$203,450</u>
Total restricted assets	<u>\$203,450</u>

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY**

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Pass Through Grantor's Number	Program or Award Amount	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>							
<i>Passed Through Ohio Department of Education:</i>							
Education Consolidation and Improvement Act of 1981, Title I	84.010	C1-S1-01 C1-S1-100	591,627 591,627	\$472,909 295,121		\$569,307 113,697	
Total Title I				768,030		683,004	
<i>Special Education Cluster:</i>							
Title VI-B Assistance to States Education of Handicapped Children	84.027	6B-SF-01 6B-SF-00	438,815 384,243	438,815 33,611		401,411 33,988	
Total Title VI-B				472,426		435,399	
Special Education-Preschool Grant	84.173	PG-S1-01	24,314	24,314		24,314	
Total Special Education Cluster				496,740		459,713	
Vocational Education Basic Grant	84.048	VECP11-S01-093 VECP11-S01-093	183,204 183,741	155,723 27,561		176,279 5,038	
Total Vocational				183,284		181,317	
Dwight D. Eisenhower Professional Development Program, Title II	84.281	MS-S1-01	24,236	21,812		4,851	
Education Consolidation and Improvement Act Block Grant, Title VI	84.298	C2-S1-01 C2-S1-00 C2-S1-99C	40,924 42,944 6,080	32,199 0 0		28,819 5,618 406	
Total Title VI				32,199		34,843	
Drug Free Schools Grant	84.186	DR-S1-01 DR-S1-00	28,611 29,766	26,418 9,861		26,104 2,470	
Total Drug Free Schools				36,279		28,574	
Networking for Systemic Improvement	84.276	G2-S2-99	93,750	60,000		14,301	
Raising the Bar in the Middle Grades and High School	84.318	N/A	300,000	300,000		321,715	
Class Size Reduction Grant	84.340	CR-S1-01 CR-S1-00	121,365 113,151	73,777 79,206		84,833 56,240	
Total Class Size Reduction Grant				152,983		141,073	
Total U.S. Department of Education				2,051,327		1,869,391	
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>							
<i>Passed Through Ohio Department of Education:</i>							
<i>Child Nutrition Cluster:</i>							
National School Lunch Program	10.555	N/A	N/A	418,834		418,834	
National School Breakfast Program	10.553	N/A	N/A	81,494		81,494	
Food Distribution Program	10.550	N/A	N/A	0	\$98,624	0	\$67,637
Total U.S. Department of Agriculture - Child Nutrition Cluster				500,328	98,624	500,328	67,637
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>							
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>							
Medicaid Assistance Program	93.778		N/A	24,875		24,875	
<b>Totals</b>				<b>\$2,576,530</b>	<b>\$98,624</b>	<b>\$2,394,594</b>	<b>\$67,637</b>

The accompanying notes are an integral part of this statement.

**PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY**

**NOTES TO SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

**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, 2001, the District had no significant food commodities in inventory.



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Plain Local School District  
Stark County  
901 44<sup>th</sup> Street, NW  
Canton, Ohio 44709

To the Board of Education:

We have audited the general purpose financial statements of the Plain Local School District, Stark County, Ohio, (the District) as of and for the year ended June 30, 2001, and have issued our report thereon dated November 14, 2001 in which we noted the District changed its method of accounting and reporting for Governmental Accounting Standards Board Statement No. 33. In addition, certain errors and omissions resulting in the understatement of fixed assets were discovered during the current year. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

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

**Internal Control Over Financial Reporting**

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

Plain Local School District  
Stark County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

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

November 14, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Plain Local School District  
Stark County  
901 44<sup>th</sup> Street, NW  
Canton, Ohio 44709

To the Board of Education:

**Compliance**

We have audited the compliance of the Plain Local School District, Stark County, Ohio (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 each of its major federal programs for the year ended June 30, 2001. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs 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 auditing standards; the standards generally accepted in the United States of America 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 on 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 each of its major federal programs for the year ended June 30, 2001.

**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 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

November 14, 2001

PLAIN LOCAL SCHOOL DISTRICT  
STARK COUNTY

SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2001

<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 non-compliance at the financial statement level (GAGAS)?</b>	No
<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: Special Education Grants to States, CFDA # 84.027 and Special Education Preschool Grant, CFDA # 84.173;  Technology Literacy Challenge Fund Grants, CFDA #84.318
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A\B 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**

None

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

None



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**PLAIN LOCAL SCHOOL DISTRICT**

**STARK 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  
DECEMBER 18, 2001**