

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY

AUDITED FINANCIAL STATEMENTS
AND AUDITOR'S REPORT

FOR THE YEAR ENDED
JUNE 30, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Board of Education
Sebring Local School District
Sebring, Ohio 44672

We have reviewed the independent auditor's report of the Sebring Local School District, Mahoning County, prepared by Guillan & Company, for the audit period July 1, 1999 through June 30, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO
Auditor of State

February 28, 2001

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Elected Officials	1
Administrative Personnel	2
Index of Funds	3
Independent Auditor's Report	5
Combined Balance Sheet - All Fund Types and Account Groups	7
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	9
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances, Budget - Actual (Budgetary Basis) All Governmental Fund Types	11
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings - All Proprietary Fund Types	15
Combined Statement of Cash Flows - All Proprietary Fund Types	16
Notes to Financial Statements	17
Supplemental Data – Schedule of Expenditures of Federal Awards	41
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	43
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	45
Schedule of Findings and Questioned Costs	47
General Comments	48

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY

ELECTED OFFICIALS
AS OF JUNE 30, 2000

<u>Elected Officials</u>	<u>Title</u>	<u>Term of Office</u>
<u>Board of Education:</u>		
Paula Wayt	President	1/1/98-12/31/01
Tod Brunie	Vice President	1/1/00-12/31/03
Andrew Safkow	Member	1/1/00-12/31/03
James Cannell	Member	1/1/98-12/31/01
Marie Zurbrugg	Member	1/1/98-12/31/01

Statutory Legal Counsel:

Kenneth J. Cardinal
Mahoning County Prosecutor
Mahoning County Courthouse
Youngstown, Ohio 44503

Official Address:

Sebring Local School District
225 East Indiana Avenue
Sebring, Ohio 44672

(A) State Auto Insurance Company

<u>Surety</u>	<u>Amount</u>	<u>Period</u>
(A)	\$20,000	1/1/00-1/1/01

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY

ADMINISTRATIVE PERSONNEL
AS OF JUNE 30, 2000

<u>Name</u>	<u>Title</u>	<u>Term of Office or Contract Period</u>
Howard Friend	Superintendent	4/1/99 – 7/31/03
Harry Hill	Treasurer	1/10/00 - 1/10/04

(A) State Auto Insurance Company

<u>Surety</u>	<u>Amount</u>	<u>Period</u>
(A)	\$20,000	7/31/99 - 7/31/00
(A)	\$20,000	1/10/00 - 1/10/01

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY

INDEX OF FUNDS

GOVERNMENTAL FUND TYPES

General Fund

General Fund

Special Revenue Funds

Public School Support Fund

Student Activities Athletic Fund

Disadvantaged Pupil Program Fund

Textbook Subsidy

Management Information System Fund

Title VI-B - Special Education: Assistance To States For
Education Of Handicapped Children Fund

Elementary And Secondary Education Act Block Grant:
Title I - Special Educational Needs Of Disadvantaged
Children Fund

Elementary And Secondary Education Act Block Grant:
Title VI - Consolidation Of Federal Programs
For Elementary And Secondary Education Fund

Drug Free Schools Grant Fund

Venture Partner Grant Fund

Debt Service Fund

Bond Retirement Fund

Capital Projects Funds

Permanent Improvement Fund

Schoolnet Plus

Technology Equity Grant

PROPRIETARY FUND TYPES

Enterprise Funds

Food Services Fund

Internal Service Funds

Self Insurance Fund

Services Rotary Fund

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY

INDEX OF FUNDS
(Continued)

FIDUCIARY FUND TYPES

Agency Fund

Student Managed Activity Funds

ACCOUNT GROUPS

General Long-Term Debt Account Group

General Fixed Assets Account Group

Guillan & Company

Independent Auditor's Report

Board of Education
Sebring Local School District
Sebring, Ohio 44672

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

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

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

In accordance with Government Auditing Standards, we have also issued our report dated January 23, 2001 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the Sebring Local School District, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the general-purpose financial statements. Such information has been subjected to the

**Sebring Local School District
Mahoning County**

auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

January 23, 2001

Guillan & Company

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
AS OF JUNE 30, 2000

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
<u>Assets and Other Debits</u>				
Cash, Cash Equivalents and Investments	\$ 1,079,061	\$ 142,691	\$ 60,505	\$ 9,141,965
Receivable (Net Allowances for Uncollectables)				
Taxes - Current	1,181,544	-	120,097	100,102
Taxes - Delinquent	141,696	-	20,479	13,912
Interfund	6,895	-	-	-
Accounts	200	-	-	-
	7,024	-	-	-
Materials and Supplies Inventory	-	-	-	-
Prepays	2,951	-	-	-
Restricted Assets				
Cash, Cash Equivalents and Investments	98,539	-	-	-
Property, Plant and Equipment (Net of Accumulated Depreciation Where Applicable)	-	-	-	-
Amount Available In				
Debt Service Fund	-	-	-	-
Amount to be Provided for Retirement of General Long-Term Obligations	-	-	-	-
	-	-	-	-
Total Assets and Other Debits	\$ 2,517,910	\$ 142,691	\$ 201,081	\$ 9,255,979

The notes to the general purpose financial statements are an integral part of this statement.

PROPRIETARY FUND TYPES		FIDUCIARY FUND	ACCOUNT GROUPS		TOTALS
ENTERPRISE	INTERNAL SERVICE	AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	(MEMO-RANDUM ONLY)
\$ 24,181	\$ 327,257	\$ 14,333	\$ -	\$ -	\$ 10,789,993
-	-	-	-	-	1,401,743
-	-	-	-	-	176,087
-	-	-	-	-	6,895
-	-	-	-	-	200
3,481	-	-	-	-	10,505
816	-	-	-	-	816
-	-	-	-	-	2,951
-	-	-	-	-	98,539
4,880	-	-	5,437,664	-	5,442,544
-	-	-	-	201,081	201,081
-	-	-	-	1,816,228	1,816,228
\$ 33,358	\$ 327,257	\$ 14,333	\$ 5,437,664	\$ 2,017,309	\$ 19,947,582

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY

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

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
<u>Liabilities, Equity and Other Credits</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 30,796	\$ 1,798	\$ -	\$ 823,312
Claims Payable	-	-	-	-
Accrued Wages and Benefits	301,804	27,695	-	-
Compensated Absences Payable	-	-	-	-
Interfund Payable	-	6,645	-	-
Bonds Payable	-	-	-	-
Due to Students	-	-	-	-
Due to Other Governments	69,930	6,391	-	-
Deferred Revenue	1,323,240	-	140,576	114,014
Total Liabilities	1,725,770	42,529	140,576	937,326
<u>Equity and Other Credits</u>				
Investment in General Fixed Assets	-	-	-	-
Retained Earnings : Unreserved	-	-	-	-
Fund Balances:				
Reserved for Encumbrances	23,469	11,539	-	49,196
Reserved for Inventory	7,024	-	-	-
Reserved for Prepays	2,951	-	-	-
Reserved for Advances	57,161	-	-	-
Reserved for Budget Stabilization	98,539	-	-	-
Unreserved - Undesignated	602,996	88,623	60,505	8,269,457
Total Equity and Other Credits	792,140	100,162	60,505	8,318,653
Total Liabilities, Equity and Other Credits	\$ 2,517,910	\$ 142,691	\$ 201,081	\$ 9,255,979

The notes to the general purpose financial statements are an integral part of this statement.

PROPRIETARY FUND TYPES		FIDUCIARY FUND	ACCOUNT GROUPS		TOTALS
ENTERPRISE	INTERNAL SERVICE	AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	(MEMO-RANDUM ONLY)
\$ -	\$ -	\$ 283	\$ -	\$ -	\$ 856,189
-	30,762	-	-	-	30,762
8,612	-	-	-	-	338,111
5,673	-	-	-	196,222	201,895
-	-	250	-	-	6,895
-	-	-	-	1,783,380	1,783,380
-	-	13,800	-	-	13,800
5,631	-	-	-	37,707	119,659
1,579	-	-	-	-	1,579,409
21,495	30,762	14,333	-	2,017,309	4,930,100
-	-	-	5,437,664	-	5,437,664
11,863	-	-	-	-	11,863
-	-	-	-	-	84,204
-	-	-	-	-	7,024
-	-	-	-	-	2,951
-	-	-	-	-	57,161
-	-	-	-	-	98,539
-	296,495	-	-	-	9,318,076
11,863	296,495	-	5,437,664	-	15,017,482
\$ 33,358	\$ 327,257	\$ 14,333	\$ 5,437,664	\$ 2,017,309	\$ 19,947,582

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY

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

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
Revenues				
Taxes	\$ 1,294,883	\$ 17,582	\$ 122,175	\$ 115,638
Tuition and Fees	20,623	-	-	-
Earnings on Investments	105,124	-	-	89,508
Intergovernmental	3,104,953	419,036	15,741	8,488,486
Extracurricular Activities	-	62,266	-	-
Classroom Materials and Fees	6,199	-	-	-
Other Revenue	5,745	6,810	-	7,350
Total Revenues	4,537,527	505,694	137,916	8,700,982
Expenditures				
Instruction:				
Regular Instruction	2,288,437	99,567	-	11,202
Special Instruction	316,542	234,264	-	-
Vocational Instruction	44,427	-	-	-
Other Instruction	150,558	-	-	-
Support Services:				
Pupils	101,831	18,943	-	-
Instructional Staff	114,242	19,337	-	-
Board of Education	9,929	-	-	-
School Administration	633,756	19,164	-	1,274
Fiscal	199,466	8,564	2,565	1,663
Operations and Maintenance	464,425	-	-	22,912
Pupil Transportation	152,966	-	-	-
Central	1,937	-	-	-
Extracurricular Activities	114,029	46,728	-	-
Facilities Acquisition	-	-	-	2,616,822
Debt Service:				
Principal Retirement	-	-	57,670	-
Interest and Fiscal Charges	-	-	76,510	-
Total Expenditures	\$ 4,592,545	\$ 446,567	\$ 136,745	\$ 2,653,873

The notes to the general purpose financial statements are an integral part of this statement.

TOTALS
(MEMORANDUM
ONLY)

\$	1,550,278
	20,623
	194,632
	12,028,216
	62,266
	6,199
	19,905
	<hr/>
	13,882,119
	<hr/>

2,399,206
550,806
44,427
150,558

120,774
133,579
9,929
654,194
212,258
487,337
152,966
1,937
160,757
2,616,822

	57,670
	76,510
<hr/>	<hr/>
\$	7,829,730

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY

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

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
Excess (Deficit) of Revenues Over (Under) Expenditures	\$ (55,018)	\$ 59,127	\$ 1,171	\$ 6,047,109
<u>Other Financing Sources/ (Uses)</u>				
Refund of Prior Year Expenditure	1,462	-	-	-
Proceeds from Sale of Bonds	-	-	-	1,841,050
Operating Transfer In	-	1,381	-	-
Operating Transfer Out	-	(1,381)	-	-
Total Other Financing Sources/ (Uses)	1,462	-	-	1,841,050
Excess (Deficit) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(53,556)	59,127	1,171	7,888,159
Fund Balances - July 1, 1999	845,696	41,035	59,334	430,494
Fund Balances - June 30, 2000	\$ 792,140	\$ 100,162	\$ 60,505	\$ 8,318,653

The notes to the general purpose financial statements are an integral part of this statement.

TOTALS
(MEMORANDUM
ONLY)

\$ 6,052,389

1,462
1,841,050
1,381
(1,381)

1,842,512

7,894,901

1,376,559

\$ 9,271,460

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY

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

	GENERAL FUND		
	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE / (UNFAVORABLE)
<u>Revenues</u>			
Taxes	\$ 1,290,504	\$ 1,294,883	\$ 4,379
Tuition and Fees	2,500	20,623	18,123
Earnings on Investments	75,000	105,124	30,124
Intergovernmental	3,155,419	3,105,953	(49,466)
Extracurricular Activities	-	-	-
Classroom Materials & Fees	10,000	6,199	(3,801)
Other Revenue	8,000	5,745	(2,255)
Total Revenues	4,541,423	4,538,527	(2,896)
<u>Expenditures</u>			
Instruction:			
Regular Instruction	2,407,867	2,375,882	31,985
Special Instruction	320,300	318,178	2,122
Vocational Instruction	46,250	45,497	753
Other Instruction	152,000	150,333	1,667
Support Services:			
Pupils	143,000	118,790	24,210
Instructional Staff	129,485	114,242	15,243
Board of Education	12,650	9,859	2,791
School Administration	650,800	639,452	11,348
Fiscal	210,050	200,025	10,025
Operations and Maintenance	614,250	520,582	93,668
Pupil Transportation	155,779	143,180	12,599
Central	9,500	7,527	1,973
Extracurricular Activities	118,145	113,856	4,289
Facilities Acquisition	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	\$ 4,970,076	\$ 4,757,403	\$ 212,673

The notes to the general purpose financial statements are an integral part of this statement.

SPECIAL REVENUE FUNDS			DEBT SERVICE FUND		
REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE / (UNFAVORABLE)	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE / (UNFAVORABLE)
\$ 16,274	\$ 17,582	\$ 1,308	\$ 133,441	\$ 122,175	\$ (11,266)
-	-	-	-	-	-
-	-	-	-	-	-
338,773	419,037	80,264	13,584	15,741	2,157
69,650	62,266	(7,384)	-	-	-
-	-	-	-	-	-
9,400	6,810	(2,590)	-	-	-
434,097	505,695	71,598	147,025	137,916	(9,109)
119,812	107,950	11,862	-	-	-
235,864	234,141	1,723	-	-	-
83	-	83	-	-	-
-	-	-	-	-	-
24,785	23,749	1,036	-	-	-
24,582	19,737	4,845	-	-	-
-	-	-	-	-	-
25,502	19,609	5,893	-	-	-
9,250	8,563	687	6,000	2,565	3,435
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
69,285	53,933	15,352	-	-	-
-	-	-	-	-	-
-	-	-	67,000	57,670	9,330
-	-	-	77,000	76,510	490
\$ 509,163	\$ 467,682	\$ 41,481	\$ 150,000	\$ 136,745	\$ 13,255

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY

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

	GENERAL FUND		
	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE / (UNFAVORABLE)
Excess (Deficit) of Revenues Over (Under) Expenditures	\$ (428,653)	\$ (218,876)	\$ 209,777
<u>Other Financing Sources/ (Uses)</u>			
Refund of Prior Years Expenditures	-	1,262	1,262
Advances In	-	-	-
Advances Out	(50,000)	(6,895)	43,105
Transfers In	-	-	-
Sale of Bonds	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources/ (Uses)	(50,000)	(5,633)	44,367
Excess (Deficit) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(478,653)	(224,509)	254,144
Fund Balances - July 1, 1999	1,366,990	1,366,990	-
Fund Balances - June 30, 2000	\$ 888,337	\$ 1,142,481	\$ 254,144

The notes to the general purpose financial statements are an integral part of this statement.

SPECIAL REVENUE FUNDS			DEBT SERVICE FUND		
REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE / (UNFAVORABLE)	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE / (UNFAVORABLE)
\$ (75,066)	\$ 38,013	\$ 113,079	\$ (2,975)	\$ 1,171	\$ 4,146
-	-	-	-	-	-
-	6,645	6,645	-	-	-
-	-	-	-	-	-
-	1,381	1,381	-	-	-
-	-	-	-	-	-
-	(1,381)	(1,381)	-	-	-
-	6,645	6,645	-	-	-
(75,066)	44,658	119,724	(2,975)	1,171	4,146
84,697	84,697	-	59,333	59,333	-
\$ 9,631	\$ 129,355	\$ 119,724	\$ 56,358	\$ 60,504	\$ 4,146

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES, BUDGET - ACTUAL (BUDGETARY BASIS)

ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2000

(Continued)

	CAPITAL PROJECTS FUND		
	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE / (UNFAVORABLE)
<u>Revenues</u>			
Taxes	\$ 94,950	\$ 115,638	\$ 20,688
Tuition and Fees	-	-	-
Earnings on Investments	10,000	89,508	79,508
Intergovernmental	8,774,473	8,488,486	(285,987)
Extracurricular Activities	-	-	-
Classroom Materials & Fees	-	-	-
Other Revenue	-	7,350	7,350
Total Revenues	8,879,423	8,700,982	(178,441)
<u>Expenditures</u>			
Instruction:			
Regular Instruction	11,500	11,202	298
Special Instruction	-	-	-
Vocational Instruction	-	-	-
Other Instruction	-	-	-
Support Services:			
Pupils	-	-	-
Instructional Staff	-	-	-
Board of Education	-	-	-
School Administration	10,000	1,274	8,726
Fiscal	1,800	1,663	137
Operations and Maintenance	23,500	22,912	588
Pupil Transportation	-	-	-
Central	-	-	-
Extracurricular Activities	-	-	-
Facilities Acquisition	5,403,185	1,970,967	3,432,218
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	\$ 5,449,985	\$ 2,008,018	\$ 3,441,967

The notes to the general purpose financial statements are an integral part of this statement.

TOTALS (MEMORANDUM ONLY)

REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE / (UNFAVORABLE)
\$ 1,535,169	\$ 1,550,278	\$ 15,109
2,500	20,623	18,123
85,000	194,632	109,632
12,282,249	12,029,217	(253,032)
69,650	62,266	(7,384)
10,000	6,199	(3,801)
17,400	19,905	2,505
14,001,968	13,883,120	(118,848)
2,539,179	2,495,034	44,145
556,164	552,319	3,845
46,333	45,497	836
152,000	150,333	1,667
167,785	142,539	25,246
154,067	133,979	20,088
12,650	9,859	2,791
686,302	660,335	25,967
227,100	212,816	14,284
637,750	543,494	94,256
155,779	143,180	12,599
9,500	7,527	1,973
187,430	167,789	19,641
5,403,185	1,970,967	3,432,218
67,000	57,670	9,330
77,000	76,510	490
\$ 11,079,224	\$ 7,369,848	\$ 3,709,376

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY

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

	CAPITAL PROJECTS FUND		
	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE / (UNFAVORABLE)
Excess (Deficit) of Revenues Over (Under) Expenditures	\$ 3,429,438	\$ 6,692,964	\$ 3,263,526
<u>Other Financing Sources/ (Uses)</u>			
Refund of Prior Years Expenditures	-	-	-
Advances In	-	-	-
Advances Out	-	-	-
Transfers In	-	-	-
Sale of Bonds	1,832,670	1,841,050	8,380
Transfers Out	-	-	-
Total Other Financing Sources/ (Uses)	1,832,670	1,841,050	8,380
Excess (Deficit) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	5,262,108	8,534,014	3,271,906
Fund Balances - July 1, 1999	539,308	539,308	-
Fund Balances - June 30, 2000	\$ 5,801,416	\$ 9,073,322	\$ 3,271,906

The notes to the general purpose financial statements are an integral part of this statement.

TOTALS (MEMORANDUM ONLY)			
REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE / (UNFAVORABLE)	
\$ 2,922,744	\$ 6,513,272	\$ 3,590,528	
-	1,262	1,262	
-	6,645	6,645	
(50,000)	(6,895)	43,105	
-	1,381	1,381	
1,832,670	1,841,050	8,380	
-	(1,381)	(1,381)	
1,782,670	1,842,062	59,392	
-	-	-	
2,050,328	2,050,328	-	
\$ 2,050,328	\$ 2,050,328	\$ -	

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2000

	PROPRIETARY FUND TYPES		
	ENTERPRISE FUND	INTERNAL SERVICE FUND	TOTALS (MEMORANUDM ONLY)
<u>Operating Revenues</u>			
Food Services	\$ 117,772	\$ -	\$ 117,772
Contributions From Other Funds	-	476,410	476,410
Total Operating Revenues	117,772	476,410	594,182
<u>Operating Expenses</u>			
Salaries	80,055	-	80,055
Fringe Benefits	27,118	-	27,118
Depreciation Expense	287	-	287
Purchased Services	3,334	348,370	351,704
Materials and Supplies	109,553	-	109,553
Total Operating Expenses	220,347	348,370	568,717
Operating Income (Loss)	(102,575)	128,040	25,465
<u>Nonoperating Revenues</u>			
Intergovernmental	98,095	-	98,095
Interest	232	-	232
Total Nonoperating Revenues	98,327	-	98,327
Net Income (Loss)	(4,248)	128,040	123,792
Retained Earnings - July 1, 1999	16,111	168,455	184,566
Retained Earnings - June 30, 2000	\$ 11,863	\$ 296,495	\$ 308,358

The notes to the general purpose financial statements are an integral part of this statement.

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2000

	PROPRIETARY FUND TYPES		
	ENTERPRISE FUND	INTERNAL SERVICE FUND	TOTALS (MEMORANDUM ONLY)
<u>Cash Flows from Operating Activities</u>			
Operating Income (Loss)	\$ (102,575)	\$ 128,040	\$ 25,465
Adjustments to Reconcile Operating (Loss) to Net Cash (Used In) Operating Activities:			
Depreciation Expense	287	-	287
<i><u>(INCREASE) DECREASE IN ASSETS:</u></i>			
Materials and Supplies Inventory	1,790	-	1,790
Accounts Receivable	-	7,666	7,666
<i><u>INCREASE (DECREASE) IN LIABILITIES:</u></i>			
Deferred Revenues	(1,909)	-	(1,909)
Accrued Wages and Benefits	(2,905)	-	(2,905)
Compensated Absences Payable	42	-	42
Claims Payable	-	(24,110)	(24,110)
Due to Other Governments	(1,039)	-	(1,039)
Total Adjustments	<u>(3,734)</u>	<u>(16,444)</u>	<u>(20,178)</u>
Net Cash (Used in) Operating Activities	(106,309)	111,596	5,287
<u>Cash Flows from Noncapital Financing Activities</u>			
Intergovernmental	98,095	-	98,095
Interest	232	-	232
Net Cash Provided by Noncapital Financing Activities	<u>98,327</u>	<u>-</u>	<u>98,327</u>
Net Increase (Decrease) In Cash and Cash Equivalents	(7,982)	111,596	103,614
Cash and Cash Equivalents - July 1, 1999	<u>32,163</u>	<u>215,661</u>	<u>247,824</u>
Cash and Cash Equivalents- June 30, 2000	<u>\$ 24,181</u>	<u>\$ 327,257</u>	<u>\$ 351,438</u>

The notes to the general purpose financial statements are an integral part of this statement.

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

1. Description of the School District and Reporting Entity

The Sebring Local School District (the District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is governed by a five-member board of education (the Board) elected by its citizens. The Board controls the District's three school buildings staffed by administrators, teachers, and non-certified personnel providing educational opportunities to its students.

The Reporting Entity

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

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

2. Summary of Significant Accounting Policies

The general purpose financial statements of the Sebring Local School District have been prepared in conformity with generally accepted accounting principles (GAAP) as it applies to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Under the guidelines of Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Units That Use Proprietary Fund Accounting*, the District has elected not to apply Financial Accounting Standards Board (FASB) Statements and interpretations issued after November 30, 1989, to its proprietary activities. The adoption of this approach to accounting for proprietary activities by the District has required no change from prior years. The District's significant accounting policies are described as follows:

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

2. Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation

Fund Accounting

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

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net available resources. For financial statement presentation purposes, the various funds of the District are grouped into the following generic fund types under the broad fund categories governmental, proprietary, and fiduciary.

Governmental Fund Types

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

General Fund

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

Special Revenue Funds

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 expenditure for specified purposes.

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

2. Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation (Continued)

Debt Service Fund

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

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by propriety funds or trust funds).

Proprietary Fund Types

Proprietary Funds are used to account for the District's ongoing activities which are similar to those found in the private sector. The following are the District's Proprietary Fund types:

Enterprise Fund

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

Internal Service Fund

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a reimbursement basis.

Fiduciary Fund Types

Fiduciary Funds are used to account for assets not owned by the District, but held for a separate entity.

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

2. Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation (Continued)

Fiduciary Fund Types (Continued)

Agency Funds

Agency Funds are used to account for assets held by the District as an agent. Agency Funds are custodial in nature (Assets equal Liabilities) and do not involve measurement of results of operations.

Account Groups

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

General Fixed Assets Account Group

This account group is established to account for all fixed assets of the District, other than those accounted for in the Proprietary Fund.

General Long-Term Obligations Account Group

This account group is established to account for all long-term obligations of the District except those accounted for in the Proprietary Fund.

B. Measurement Focus and Basis of Accounting

Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental and expendable trust fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet.

Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

2. Summary of Significant Accounting Policies (Continued)

B. Measurement Focus and Basis of Accounting (Continued)

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

Basis of Accounting

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

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

The available period for the District is sixty days after fiscal year end.

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

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

2. Summary of Significant Accounting Policies (Continued)

B. Measurement Focus and Basis of Accounting (Continued)

recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. Unused donated commodities in the Enterprise Fund at year end are reported as deferred revenue.

C. Budgetary Process

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

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

Tax Budget

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing or increased tax rates. By no later than January 20, the Board adopted budget is filed with the Mahoning County Budget Commission for rate determination.

Estimated Resources

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the commission's

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

2. Summary of Significant Accounting Policies (Continued)

C. Budgetary Process (Continued)

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 the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2000.

Appropriations

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation, or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted.

The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations.

Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

2. Summary of Significant Accounting Policies (Continued)

C. Budgetary Process (Continued)

Encumbrances

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

Lapsing of Appropriations

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

D. Cash and Cash Equivalents

To improve cash management, all 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 District records. Each fund's interest in the pool is presented as "Cash, Cash Equivalents and Investments" on the balance sheet. During fiscal year 2000, investments were limited to STAR Ohio.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2000. 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 the investment could be sold for on June 30, 2000.

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

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

2. Summary of Significant Accounting Policies (Continued)

E. Inventory

Inventories are valued at cost (first in, first out) and are determined by physical count. Inventories in Governmental Funds consist of expendable supplies held for consumption. The cost has been recorded as an expenditure at the time individual inventory items were purchased. Inventory in Proprietary Funds consist of expendable supplies held for consumption and food service items held for resale. The cost has been recorded as an expense at the time individual inventory items were consumed.

F. Fixed Assets and Depreciation

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Assets in the General Fixed Assets Account Group are not depreciated. Depreciation of furniture and equipment in the Enterprise Fund is computed using the straight-line method over an estimated useful lives of eight to twenty years.

G. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as nonoperating revenues in the accounting period in which they are earned and become measurable. The District currently participates in various state and federal programs categorized as follows:

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

2. Summary of Significant Accounting Policies (Continued)

G. Intergovernmental Revenues (Continued)

Entitlements

General Fund
State Foundation Program
State Property Tax Relief

Nonreimbursable Grants

Special Revenue Funds
Drug Free Grant
Title I
Title VI
Title VI-R
Title VI-B

Capital Projects Fund
SchoolNet

Reimbursable Grants

General Fund
Driver Education Reimbursement
School Bus Reimbursement

Special Revenue Fund
Vocational Education Equipment
Venture Partner Grant

Enterprise Fund
National School Lunch Program
National School Breakfast Program
Government Donated Commodities

Grants and entitlements amounted to approximately 45 percent of the District's operating and nonoperating revenue during the 2000 fiscal year.

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

2. Summary of Significant Accounting Policies (Continued)

H. Interfund Assets and Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "Interfund Receivable" or "Interfund Payable". Long-term interfund loans are recorded as reservation of fund balance to indicate that they do not constitute available expendable resources since they are not a component of net current assets. The District did not have any long-term advances at year end.

I. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payment in the future, in accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, Accounting for Compensated Absences. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the District's severance policy.

For governmental funds, the District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. The District records a liability for accumulated unused sick leave for both classified and certified employees once they meet the eligibility requirements for retirement from one of the State retirement systems. The current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account "Compensated Absences Payable" in the fund from which the employees are paid. The remainder is reported in the General Long-Term Obligations Account Group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

J. Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, contractually required pension contributions, and special termination benefits that will be paid from governmental funds are reported as a liability in the General Long-term

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

2. Summary of Significant Accounting Policies (Continued)

J. Accrued Liabilities and Long-Term Obligations (Continued)

Obligations Account Group to the extent that they will not be paid with current available expendable financial resources. Bonds, capital leases, and long-term loans are reported as a liability of the General Long-Term Obligations Account Group until due. Long-term debt and other obligations financed by proprietary funds are reported as liabilities those funds.

K. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/ expenses initially made from it that are properly applicable to another fund are recorded as expenditures/ expenses in the reimbursing fund and as reductions of expenditures/ expenses in the fund that is reimbursed. Nonrecurring on nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

L. Prepays

Payments made to vendors for services that will benefit periods beyond June 30, 2000, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expenses is reported in the year in which services are consumed.

M. Fund Balance Reserves

The District records reservations for portions of fund equity which are legally segregated for specific future use of which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, debt service, inventory, budget stabilization and prepaids. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute.

N. Total Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned "Total-(Memorandum Only)" to indicate that they are presented only to facilitate financial

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

2. Summary of Significant Accounting Policies (Continued)

N. Total Columns on General Purpose Financial Statements (Continued)

analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in aggregation of this data.

O. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by the State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. A fund balance has also been established.

3. Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (Budgetary basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (Budgetary basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditure equivalents for all funds (Budgetary basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

3. Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the Budgetary and GAAP basis statements by fund type.

	<u>Excess (Deficiency) of Revenues and Other Financing Sources</u> <u>Over (Under) Expenditures and Other Financing Uses</u>			
	<u>General</u>	<u>Special</u> <u>Revenue</u>	<u>Debt</u> <u>Service</u>	<u>Capital</u> <u>Projects</u>
Budget Basis	\$(224,509)	\$ 44,658	\$ 1,171	\$8,534,014
Adjustments for Revenue Accruals	(1,000)	6,645	-	-
Adjustments for Expenditure Accruals	136,833	(5,513)	-	(714,498)
Adjustments for Encumbrances	<u>35,120</u>	<u>13,337</u>	<u>-</u>	<u>68,643</u>
GAAP Basis	<u>\$ (53,556)</u>	<u>\$59,127</u>	<u>\$1,171</u>	<u>\$7,888,159</u>

4. Deposits and Investments

State statutes classify 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 that the Board of Education has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing no later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

4. Deposits and Investments (Continued)

Interim monies may be invested in the following obligations:

1. Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality;
3. Written repurchase agreements for a period not to exceed thirty days in securities listed above that mature within five years from the date of purchase;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio); and
7. Certain banker's acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

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

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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

4. Deposits and Investments (Continued)

Deposits: At year end, the carrying amount of the District's deposits was \$95,823 and the bank balance was \$612,224. Of the bank balance, all was covered by federal depository insurance.

Investments: The District's investments are categorized below to give an indication of the level of custodial credit risk assumed by the District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes insured and unregistered investments which are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the District's name. The District's investment in STAR Ohio, an investment pool operated by the Ohio State Treasurer, is unclassified since it is not evidenced by securities that exist in physical or book entry form. Investments at June 30, 2000 consisted only of STAR Ohio, which had a carrying and market value of \$10,792,709.

5. Property Taxes

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied after April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 50 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value.

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. Under certain circumstances, State statute permits alternate payment dates to be established.

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

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

5. Property Taxes (Continued)

The District receives property taxes from Mahoning County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2000, are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to a deferred revenue for that portion not intended to finance current year operations. There were no advances available to the District at year end.

6. Fixed Assets

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

	Balance 7/1/99	Additions	Disposals	Balance 6/30/00
Land and Land Improvements	\$ 64,309	\$ -	\$ -	\$ 64,309
Buildings and Building Improvements	1,855,855	-	-	1,855,855
Furniture, Fixtures, and Equipment	1,257,454	98,300	19,660	1,336,094
Construction in Progress	-	1,902,324		1,902,324
Textbooks and Library Books	<u>279,082</u>	<u>-</u>	<u>-</u>	<u>279,082</u>
Totals	<u>\$3,456,700</u>	<u>\$2,000,624</u>	<u>\$ 19,660</u>	<u>\$ 5,437,664</u>

A summary of the Enterprise Funds' fixed assets at June 30, 2000 is as follows:

	Balance 7/1/99	Additions	Disposals	Balance 6/30/00
Furniture, Fixtures, and Equipment	\$ 48,460	\$ -	\$ -	\$ 48,460
Less: Accumulated Depreciation	<u>(43,293)</u>	<u>(287)</u>	<u>-</u>	<u>(43,580)</u>
Net Fixed Assets	<u>\$ 5,167</u>	<u>\$ (287)</u>	<u>\$ -</u>	<u>\$ 4,880</u>

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

7. Long-Term Debt and Other Obligations

During the year ended June 30, 2000, the following changes occurred in obligations reported in the General Long-Term Obligations Account Group:

	<u>General Long-Term Obligations Account Group</u>			Balance 6/30/00
	Balance 7/1/99	Additions	Reductions	
G.O. BAN Payable	\$ -	\$1,783,380	\$ -	\$1,783,380
Compensated Absences Payable	150,364	45,858	-	196,222
Due to Other Governments	<u>36,000</u>	<u>1,707</u>	<u>-</u>	<u>37,707</u>
Total	<u>\$ 186,364</u>	<u>\$1,830,945</u>	<u>\$ -</u>	<u>\$2,017,309</u>

8. Compensated Absences

The criteria for determining vacation and sick leave components derives from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon the length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at a rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 248 days for certified personnel and 135 for classified personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit up to a maximum of 54 days for certified employees, and one-third of accrued, but unused sick leave credit up to a maximum of 45 days for classified employees.

9. Risk Management

Comprehensive - The District is exposed to various risks of loss related to torts, theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2000, the District contracted with private carriers for property and fleet insurance, liability insurance, and inland marine coverage. Coverage provided by these carriers is as follows:

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

9. Risk Management (Continued)

Building and Contents-replacement cost (\$5,000 deductible) \$13,363,064

Boiler and Machinery Coverage (\$500 deductible) \$4,000,000

Inland Marine Coverage (\$100 deductible) Based on items listed.

Automobile Liability -(\$100 deductible - collision/ \$500 deductible - comprehensive)
\$1,000,000

Uninsured Motorists - \$1,000,000

General Liability - \$1,000,000/ each occurrence \$3,000,000/ aggregate

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

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

Self-Insurance - Medical/surgical and dental insurance is offered to employees through a self-insurance internal service fund. The District maintains a self-insurance plan with Benefit Services, Inc. to provide health, dental, and prescription benefits. The district is liable for medical claims up to a stop-loss limit of \$20,000 per beneficiary annually and aggregate medical claims up to a stop-loss limit of \$322,238 annually for the entire District.

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

9. Risk Management (Continued)

Any claims over the stop-loss limit are the responsibility of the insurance company. The district maintains a separate depository account for the self-insurance plan. Claims are paid by Benefit Services, Inc. and the District transfers funds into the account to cover the amount of these claims and fees. Changes in claims activity for the past two years are as follows:

	<u>July 1</u>	<u>Current Year Claims</u>	<u>Current Year Payments</u>	<u>June 30</u>
1999	\$80,561	\$387,135	\$412,824	\$54,872
2000	54,872	324,260	348,370	30,762

10. 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 public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute 14 percent. The contribution rates are not determined actuarially, but are established by SERS Retirement Board within the rates allowed by the State Statute. The adequacy of the contribution rates is determined annually. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$84,769, \$73,514, and \$89,796, respectively. 48% has been contributed for the fiscal year 2000 and 100% for fiscal years 1999 and 1998. \$44,444 representing the unpaid contribution for the fiscal year 2000, is recorded as a liability within the respective funds and the General Long-Term Obligations Account Group.

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

10. Defined Benefit Pension Plans (Continued)

B. State Teachers Retirement System

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

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$374,809, \$336,258, and \$296,100, respectively. 85% has been contributed for the fiscal year 2000 and 100% for the fiscal years 1999 and 1998. \$63,240 representing the unpaid contribution for the fiscal year 2000, is recorded as a liability within the respective funds.

11. Post Employment Benefits

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

For STRS, all benefit recipients are required to pay a portion of health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from the STRS funds shall be included in the employer contributions rate, currently 14 percent of covered payroll. The board currently allocates employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund for which payments for health care benefits are paid. The balance in the Health Care Reserve Fund at year end was \$2,783 million. For the fiscal year ended June 30, 1999 (the latest information available), eligible benefit recipients totaled 95,796 and net health care costs paid by STRS were \$249,929,000.

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

11. Post Employment Benefits (Continued)

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, disability, and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium. For this fiscal year, employer contributions to fund health care benefits were 4.98 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 1999, the minimum pay has been established at \$12,400. The surcharge rate added to the unallocated portion of the 14 percent employer contribution provides for maintenance of the asset target level for the health care fund. For the fiscal year ended June 30, 1999 (the latest information available), net health care costs paid by SERS were \$126,380,984 and the target level was \$189.6 million. Net assets available for payment as of June 30, 1998 by the Retirement System were \$188.0 million, at cost. The number of participants currently receiving health care benefits is 51,000. The portion of the District's contributions that were used to fund postemployment benefits was \$46,479.

12. Segment Information For Enterprise Funds

The District maintains one enterprise fund which provides food services to the schools. Therefore, segment information for the year ended June 30, 2000 is not presented in these notes.

13. Jointly Governed Organization

The District is a member of the Area Cooperative Computerized Educational Service system (A.C.C.E.S.S.), a jointly governed organization which provides computer services to the school districts within the boundaries of Mahoning and Columbiana counties. Each District's superintendent serves as a representative on the Board which consists of approximately 24 member districts. However, the degree of control exercised by any participating school district is limited to its representation on the assembly.

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

14. Contingencies and Commitments

Federal Assistance

During the fiscal year, the District received financial assistance from federal and state agencies in the form of grants. The expenditure 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 adverse effect on the overall financial position of the District at June 30, 2000.

School Funding Decision

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program," which provides significant amounts of monetary support to this District. During the fiscal year ended June 30, 2000, the District received \$2,817,847 of school foundation support in its General Fund and \$2,817,847 in total (all funds) support.

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

The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001. As of the date of these general purpose financial statements, the District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations.

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

16. Set – Aside Requirement

	Textbooks	Capital Acquisitions	Budget Stabilization	Totals
Set-aside Cash Balance as of June 30, 1998	\$ -	\$ -	\$ 57,161	\$ 57,161
Current Year Set-aside Requirements	111,208	111,208	41,378	263,794
Qualifying Disbursements	<u>111,208</u>	<u>111,208</u>	<u>-</u>	<u>222,416</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,539</u>	<u>\$98,539</u>
Cash Balance Carried Forward to FY 2000			<u>\$ 98,539</u>	<u>\$98,539</u>

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY

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

<u>Federal Grantor/ Sub-Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed Through Ohio Department of Education			
Title I	84.010	048355-C1-S1-99 048355-C1-S1-99C 048355-C1-S1-00	\$ 188,589 20,245 188,589
Total Title I			
Title VI-B	84.027	048355-6B-SF-99P 048355-6B-SF-00P	\$ 48,480 58,927
Total Title-VI-B (B)			
Title VI	84.151	048355-C2-S1-00	\$ 4,548
Drug Free Schools	84.186	048355-DR-S1-00	\$ 3,428
School - to - Work Grant	84.276	048355-STW-99	\$ 5,000
Title VI-R	84.340	048355-CR-S1-00	\$ 23,523
Total U.S. Department of Education			
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed Through Ohio Department of Education			
Nutrition Cluster:			
National School Breakfast	10.553	-	\$ -
National School Lunch Program (B)	10.555	-	-
Food Distribution Program (C)	10.550	-	-
Total U.S. Department of Agriculture			
Total Federal Financial Assistance (A)			

<u>Balance</u> <u>07/01/99</u>	<u>Federal</u> <u>Receipts</u>	<u>Federal</u> <u>Disbursements</u>	<u>Balance</u> <u>06/30/00</u>
\$ 31,936	\$ -	\$ 31,936	\$ -
-	20,245	20,245	-
-	188,589	138,504	50,085
<hr/>	<hr/>	<hr/>	<hr/>
31,936	208,834	190,685	50,085
3,781	4,848	8,629	-
-	58,927	51,796	7,131
<hr/>	<hr/>	<hr/>	<hr/>
3,781	63,775	60,425	7,131
-	4,548	4,548	-
<hr/>	<hr/>	<hr/>	<hr/>
-	3,428	3,428	-
<hr/>	<hr/>	<hr/>	<hr/>
4,024	3,000	2,709	4,315
-	23,523	18,700	4,823
<hr/>	<hr/>	<hr/>	<hr/>
39,741	307,108	280,495	66,354
-	15,313	15,313	-
-	76,714	76,714	-
3,488	10,456	12,365	1,579
<hr/>	<hr/>	<hr/>	<hr/>
3,488	102,483	104,392	1,579
<hr/>	<hr/>	<hr/>	<hr/>
<u>\$ 43,229</u>	<u>\$ 409,591</u>	<u>\$ 384,887</u>	<u>\$ 67,933</u>

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)

- (A) Schedule is presented on a cash basis. Federal Financial Assistance is determined to be on a first-in, first-out basis.
- (B) Amounts are commingled with non-federal money. Noncash transactions are determined to be on a first-in, first-out basis.
- (C) Dollar amounts reflected are market values assigned by the District for commodities.

Guillan & Company

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Education
Sebring Local School District
Sebring, Ohio 44672

We have audited the financial statements of the Sebring Local School District as of and for the year ended June 30, 2000, and have issued our report thereon dated January 23, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

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 in the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain immaterial instances of noncompliance that we

**Sebring Local School District
Mahoning County**

have reported to management in a separate letter dated January 23, 2001.

This report is intended for the information and use of management, Auditor of State, 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.

January 23, 2001

Guillan & Company

Guillan & Company

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

Board of Education
Sebring Local School District
Sebring, Ohio 44672

Compliance

We have audited the compliance of the Sebring Local School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2000. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. 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 generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. 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 Sebring Local School 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, 2000.

**Sebring Local School District
Mahoning County**

Internal Control Over Compliance

The management of the Sebring Local School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered 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 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 in 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.

This report is intended for the information and use of management, Auditor of State, 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.

January 23, 2001

Guillan & Company

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2000

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Sebring Local School District.
2. No reportable conditions were disclosed during the audit of the financial statements of the Sebring Local School District.
3. No instances of noncompliance material to the financial statements of the Sebring Local School District were disclosed during the audit.
4. No reportable conditions were disclosed during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs for the Sebring Local School District expresses an unqualified opinion.
6. No audit findings relative to the major programs for the Sebring Local School District were disclosed during the audit.
7. The programs tested as major included: Title I (84.010).
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Sebring Local School District was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

SEBRING LOCAL SCHOOL DISTRICT
MAHONING COUNTY

GENERAL COMMENTS

The report, including the citations and recommendations, was reviewed with and acknowledged by the following officials on January 23, 2001:

Harry Hill Treasurer

These officials were informed that they had five working days for the Auditor of State and sixty days for the federal government from the date of the post audit conference to respond to, or contest, in writing, the report contents. No such response was received.

School District personnel were very cooperative and available for questions and assistance during regular working hours.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

SEBRING LOCAL SCHOOL DISTRICT

MAHONING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 13, 2001**