

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**BASIC FINANCIAL STATEMENTS
(AUDITED)**

***FOR THE FISCAL YEAR ENDED
JUNE 30, 2014***

NANCY ACKERMAN, TREASURER



Dave Yost • Auditor of State

Board of Education
Buckeye Central Local School District
938 S. Kibler Street
New Washington, Ohio 44854

We have reviewed the *Independent Auditor's Report* of the Buckeye Central Local School District, Crawford County, prepared by Julian & Grube, Inc., for the audit period July 1, 2013 through June 30, 2014. 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 Buckeye Central Local School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

December 19, 2014

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**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Buckeye Central Local School District
Crawford County
938 S. Kibler Street
New Washington, Ohio 44854

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Buckeye Central Local School District, Crawford County, Ohio, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Buckeye Central Local School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Buckeye Central Local School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Buckeye Central Local School District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Buckeye Central Local School District, Crawford County, Ohio, as of June 30, 2014, and the respective changes in financial position thereof and the budgetary comparison for the General fund thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Board of Education
Buckeye Central Local School District

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Buckeye Central Local School District's basic financial statements taken as a whole.

The Schedule of Receipts and Expenditures of Federal Awards (the "Schedule") presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

The Schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this Schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the Schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this Schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2014, on our consideration of the Buckeye Central Local School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Buckeye Central Local School District's internal control over financial reporting and compliance.



Julian & Grube, Inc.
December 4, 2014

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

The management's discussion and analysis of the Buckeye Central Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2014 are as follows:

- In total, net position of governmental activities decreased \$157,143 which represents a 0.71% decrease from 2013.
- General revenues accounted for \$8,418,546 in revenue or 85.14% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,469,252 or 14.86% of total revenues of \$9,887,798.
- The District had \$9,305,624 in expenses related to governmental activities; \$1,469,252 of these expenses were offset by program specific charges for services and sales, grants or contributions. The District also recorded a special item in the amount of (\$739,177). General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$8,418,546 were not adequate to provide for these programs.
- The District's two major governmental funds are the general fund and bond retirement fund. The general fund had \$8,477,983 in revenues and \$7,844,271 in expenditures and other financing uses. During fiscal year 2014, the general fund's fund balance increased \$633,712 from a balance of \$3,113,846 to \$3,747,558.
- The bond retirement fund had \$769,435 in revenues and other financing sources and \$546,852 in expenditures. During fiscal year 2014, the bond retirement fund's fund balance increased by \$222,583 from a balance of \$959,933 to a balance of \$1,182,516.

Using these Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *statement of net position* and *statement of activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund and bond retirement fund are the most significant funds and are considered major funds.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2014?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's *net position* and changes in that position. This change in net position is important because it tells the reader that, for the District as a whole, the *financial position* of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net position and the statement of activities, the Governmental Activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

The District's statement of net position and statement of activities can be found on pages 13-14 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 9. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and bond retirement fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* than can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net position and the statement of activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 15-19 of this report.

Fiduciary Funds

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals or other entities. These activities are reported in agency funds. All of the District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on pages 20 and 21. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 22-49 of this report.

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position at June 30, 2014 and June 30, 2013

	Net Position	
	Governmental Activities 2014	Governmental Activities 2013
<u>Assets</u>		
Current and other assets	\$ 9,094,724	\$ 9,151,066
Capital assets, net	24,004,053	24,455,526
Total assets	33,098,777	33,606,592
<u>Liabilities</u>		
Current liabilities	803,395	862,996
Long-term liabilities	8,368,255	8,697,792
Total liabilities	9,171,650	9,560,788
<u>Deferred inflows of resources</u>		
Property taxes levied for the next fiscal year	1,862,707	1,824,381
Total deferred inflows of resources	1,862,707	1,824,381
<u>Net Position</u>		
Net investment in capital assets	16,105,232	16,243,765
Restricted	2,116,649	2,801,538
Unrestricted	3,842,539	3,176,120
Total net position	\$ 22,064,420	\$ 22,221,423

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2014, the District's assets exceeded liabilities and deferred inflows of resources by \$22,064,420. Of this total, \$3,842,539 is unrestricted in use.

At year-end, capital assets represented 72.52% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. Net investment in capital assets at June 30, 2014, was \$16,105,232. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

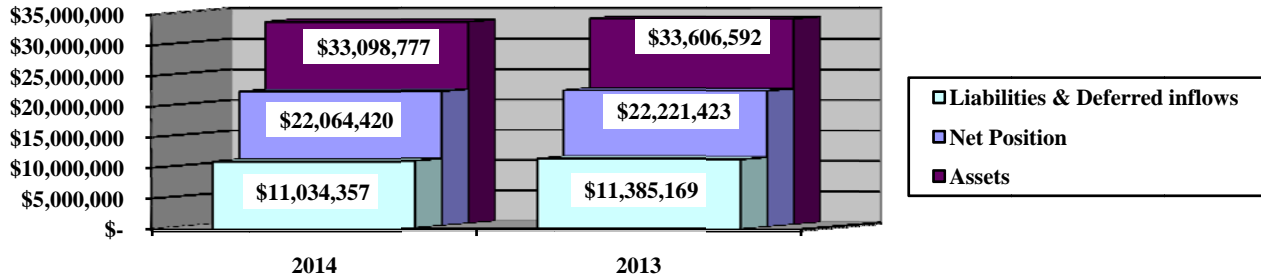
**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

A portion of the District's net position, \$2,116,649, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$3,842,539 may be used to meet the District's ongoing obligations to the students and creditors.

The graph below illustrates the District's assets, liabilities and deferred inflows of resources, and net position at June 30, 2014 and June 30, 2013:

Governmental Activities



The table below shows the change in net position for fiscal year 2014 and 2013.

	<u>Change in Net Position</u>	
	<u>Governmental Activities 2014</u>	<u>Governmental Activities 2013</u>
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 550,019	\$ 492,674
Operating grants and contributions	892,263	1,004,003
Capital grants and contributions	26,970	-
General revenues:		
Property taxes	2,444,217	2,971,663
School district income tax	1,667,729	1,677,699
Grants and entitlements	4,264,180	4,005,881
Investment earnings	9,479	7,456
Miscellaneous	32,941	8,300
Total revenues	<u>9,887,798</u>	<u>10,167,676</u>

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Change in Net Position</u>	
	Governmental Activities <u>2014</u>	Governmental Activities <u>2013</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	\$ 4,066,181	\$ 4,369,064
Special	1,120,971	912,153
Vocational	163,077	153,454
Other	-	8,521
Support services:		
Pupil	304,576	360,305
Instructional staff	79,393	183,643
Board of education	24,789	22,992
Administration	899,540	798,414
Fiscal	296,857	290,260
Operations and maintenance	581,464	589,504
Pupil transportation	522,839	424,451
Central	104,877	75,416
Operations of non-instructional services:		
Food service operations	316,790	351,754
Non-instructional services	59,740	66,481
Extracurricular activities	394,481	456,043
Interest and fiscal charges	<u>370,049</u>	<u>486,010</u>
Total expenses	<u>9,305,624</u>	<u>9,548,465</u>
<u>Special items</u>		
OSFC Closeout	<u>(739,177)</u>	<u>-</u>
Change in net position	(157,003)	619,211
Net position at beginning of year	<u>22,221,423</u>	<u>21,602,212</u>
Net position at end of year	<u>\$ 22,064,420</u>	<u>\$ 22,221,423</u>

Governmental Activities

Net position of the District's governmental activities decreased \$157,003. Total governmental expenses of \$9,305,624, were offset by program revenues of \$1,469,252 and general revenues of \$8,418,546. Program revenues supported 15.79% of the total governmental expenses. Operating grants and contributions decreased \$111,740 due to lower special education foundation funding.

The primary sources of revenue for governmental activities are derived from taxes, and grants and entitlements. These revenue sources represent 84.71% of total governmental revenue. Property tax revenues decreased due to fluctuations in the amount of tax collected and available for advance at fiscal year-end by the Crawford County Auditor. Tax advances available are recorded as revenue under GAAP. The amount of tax advances available at June 30, 2014, 2013, 2012 was \$619,864, \$625,619, and \$168,926, respectively. The amount of tax advance available at year-end can vary depending upon when the county auditors distribute tax bills. Grants and entitlements increased \$258,299. This increase was mainly due to other State foundation funding increases for overall operations of the District as well as Medicaid revenues.

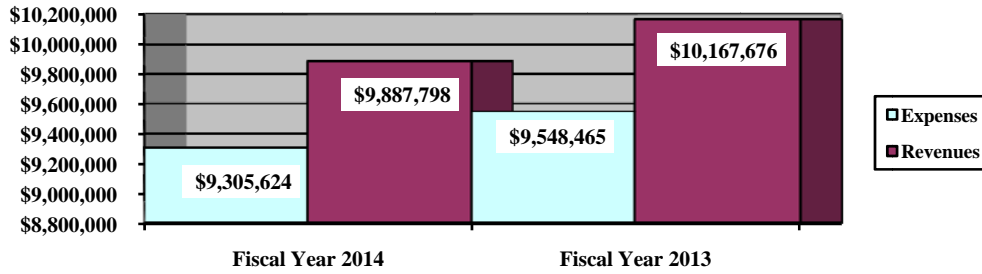
**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

The largest expense of the District is for instructional programs. Instruction expenses totaled \$5,350,229 or 57.49% of total governmental expenses for fiscal year 2014.

The graph below presents the District's governmental activities revenues and expenses for fiscal year 2014 and 2013.

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and sales and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2014</u>	<u>2014</u>	<u>2013</u>	<u>2013</u>
Program expenses				
Instruction:				
Regular	\$ 4,066,181	\$ 3,795,804	\$ 4,369,064	\$ 4,132,921
Special	1,120,971	577,796	912,153	272,231
Vocational	163,077	124,346	153,454	95,432
Other	-	-	8,521	8,521
Support services:				
Pupil	304,576	258,823	360,305	323,643
Instructional staff	79,393	61,619	183,643	130,844
Board of education	24,789	24,789	22,992	22,992
Administration	899,540	899,540	798,414	798,414
Fiscal	296,857	296,535	290,260	290,260
Operations and maintenance	581,464	575,794	589,504	589,504
Pupil transportation	522,839	504,591	424,451	423,101
Central	104,877	99,477	75,416	70,016
Operations of non-instructional services:				
Food service operations	316,790	(15,456)	351,754	36,588
Non-instructional services	59,740	(4)	66,481	16,076
Extracurricular activities	394,481	262,669	456,043	355,235
Interest and fiscal charges	370,049	370,049	486,010	486,010
Total expenses	<u>\$ 9,305,624</u>	<u>\$ 7,836,372</u>	<u>\$ 9,548,465</u>	<u>\$ 8,051,788</u>

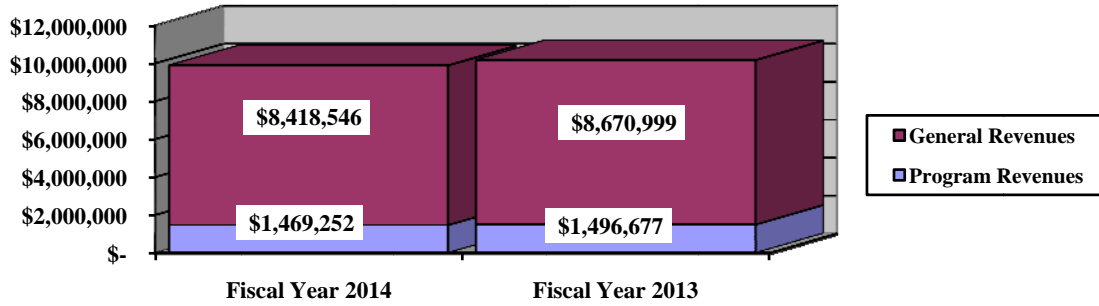
The dependence upon tax and other general revenues for governmental activities is apparent, 84.07% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 84.21%. The District's taxpayers and grants and entitlements received from the State of Ohio that are not restricted in use are by far the primary support for District's students.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

The graph below presents the District's governmental activities revenue for fiscal year 2014 and 2013.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds (as presented on the balance sheet on page 15) reported a combined fund balance of \$6,160,457, which is higher than last year's total of \$6,126,905. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2014 and 2013.

	Fund Balance <u>June 30, 2014</u>	Fund Balance <u>June 30, 2013</u>	<u>Change</u>	Percentage <u>Change</u>
General	\$ 3,747,558	\$ 3,113,846	\$ 633,712	20.35 %
Bond retirement	1,182,516	959,933	222,583	23.19 %
Other governmental	<u>1,230,383</u>	<u>2,053,126</u>	<u>(822,743)</u>	(40.07) %
Total	<u>\$ 6,160,457</u>	<u>\$ 6,126,905</u>	<u>\$ 33,552</u>	0.55 %

General Fund

The District's general fund balance increased \$633,712.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	<u>2014</u> <u>Amount</u>	<u>2013</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>				
Taxes	\$ 3,602,486	\$ 3,801,232	\$ (198,746)	(5.23) %
Earnings on investments	8,958	6,055	2,903	47.94 %
Intergovernmental	4,536,154	4,321,049	215,105	4.98 %
Other revenues	<u>330,385</u>	<u>266,305</u>	<u>64,080</u>	24.06 %
Total	<u>\$ 8,477,983</u>	<u>\$ 8,394,641</u>	<u>\$ 83,342</u>	0.99 %
<u>Expenditures</u>				
Instruction	\$ 4,852,855	\$ 4,832,890	\$ 19,965	0.41 %
Support services	2,623,647	2,525,771	97,876	3.88 %
Non-instructional services	30	14,404	(14,374)	(99.79) %
Extracurricular activities	216,910	266,600	(49,690)	(18.64) %
Capital outlay	-	111,922	(111,922)	100.00 %
Debt service	<u>100,829</u>	<u>78,136</u>	<u>22,693</u>	29.04 %
Total	<u>\$ 7,794,271</u>	<u>\$ 7,829,723</u>	<u>\$ (35,452)</u>	(0.45) %

Revenues of the general fund increased \$83,342 or 0.99%. Tax revenues decreased by \$198,746. This decrease can be attributed to a change in the amount of tax advance that was available to the District from the County Auditor at June 30, 2014, June 30, 2013, and June 30, 2012. This variance resulted in less tax revenue being reported in fiscal year 2014. The amount of tax advances available from the County Auditor can vary depending upon when tax bills are mailed.

Expenditures of the general fund decreased \$35,452 or 0.45%. The largest decrease in expenditures is capital outlay of \$111,922 or 100.00%, which can primarily be attributed to the District entering into a capital lease in fiscal year 2013.

Bond Retirement Fund

The bond retirement fund had \$769,435 in revenues and other financing sources during fiscal year 2014. The bond retirement fund had \$546,852 in expenditures. During fiscal year 2014, the bond retirement fund's fund balance increased by \$222,583 from a balance of \$959,933 to a balance of \$1,182,516.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund.

During the course of fiscal year 2014, the District amended its general fund budget several times. For the general fund, original budgeted revenues and other financing sources were \$7,995,716 and final budgeted revenues and other financing sources were \$8,435,216. Actual revenues and other financing sources for fiscal year 2014, were \$8,477,846. This represents a \$42,630 increase over final budgeted revenues.

General fund original appropriations and other financing uses totaled \$8,438,355 and final appropriations and other financing uses totaled \$8,877,858. The actual budget basis expenditures and other financing uses for fiscal year 2014 totaled \$8,019,980, which is lower than the final budget appropriations by \$857,878.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2014, the District had \$24,004,053 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles. This entire amount is reported in governmental activities.

The following table shows June 30, 2014 balances compared to June 30, 2013.

**Capital Assets at June 30
(Net of Depreciation)**

	Governmental Activities	
	2014	2013
Land	\$ 421,398	\$ 421,398
Land improvements	137,828	153,571
Building and improvements	22,923,761	23,334,024
Furniture and equipment	329,809	400,824
Vehicles	191,257	145,709
Total	\$ 24,004,053	\$ 24,455,526

The overall decrease in capital assets of \$451,473 is primarily due to depreciation of \$416,026 to buildings and building improvements.

See Note 9 to the basic financial statements for additional information on the District's capital assets.

Debt Administration

The following table summarizes the District's long term debt outstanding at June 30, 2014.

	Governmental Activities	
	2014	2013
Current interest bonds - Series 2007	\$ 7,180,000	\$ 7,415,000
Capital appreciation bonds - Series 2007	180,991	180,991
Accreted interest	244,760	195,949
Loans payable	329,936	357,975
Capital lease obligations	96,339	141,031
Total	\$ 8,032,026	\$ 8,290,946

At June 30, 2014, the District had \$8,032,026 in current interest bonds, capital appreciation bonds, accreted interest, loans payable, and capital lease obligations. The general obligation bond issues are comprised of current issue bonds and capital appreciation bonds. Of this total, \$282,861 is due within one year and \$7,749,165 is due in greater than one year.

See Note 11 to the basic financial statements for additional information on the District's debt administration.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Current Financial Related Activities

Overall, the District is financially sound. The current economic conditions will have an effect not only on the district's income tax but also the property tax through new property values just released. The funding received from the state is also very questionable. The challenge for the District is to continue to provide the resources necessary to meet student needs and be able to stay within the five-year forecast. The five-year forecast is utilized to effectively and efficiently manage the District's resources to the fullest. In fiscal year 2012, the District's expenses exceeded revenue. Reductions and cuts were made which allowed a positive cash balance for fiscal year 2013. However, even with these cuts and reductions the remaining years of the five year forecast show expenditures over revenue. The Board will continue to monitor and establish a plan to control expenditures.

The District's largest portion of expenditures goes towards salary and fringe benefits. The Board will continue to negotiate within the five-year forecast. The Board continues to study the escalating cost for health insurance.

After several years of declining enrollment the Board took the opportunity to work out a transfer with Tiffin City Schools which allowed the District to add the territory of Bloomville and Bloom Township to the District. This occurred in August of 2002. The addition of this property has increased the enrollment by approximately 330 students.

The Board of Education passed a 6.3 mill bond levy in February 2007. The District will participate with the Ohio School Facilities Commission on this project with an 80% state share and 20% local share. The total co-funded share is \$21,284,160. The board also passed Locally Fund Initiative (LFI) dollars totaling \$3,874,288 making the total project cost \$25,158,448. The project was completed and the new facility opened for the 2009-2010 school year.

As a result of the facts presented in the paragraphs above, the District's financial planning will be essential in meeting the challenges the future will bring. It is imperative the District's Board and management continue to carefully and prudently plan in order to provide the resources required to meet the needs of our students over the next several years.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact: Ms. Nancy Ackerman, Buckeye Central Local School District, 938 S. Kibler Street, New Washington, Ohio 44854.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities
Assets:	
Equity in pooled cash and investments.	\$ 5,730,767
Receivables:	
Property taxes	2,583,118
Income taxes.	654,779
Accounts.	7,269
Accrued interest	744
Intergovernmental	94,565
Prepayments	13,717
Materials and supplies inventory.	9,765
Capital assets:	
Land.	421,398
Depreciable capital assets, net.	23,582,655
Capital assets, net	24,004,053
Total assets.	33,098,777
Liabilities:	
Accounts payable.	29,702
Accrued wages and benefits.	609,447
Pension obligation payable.	115,429
Intergovernmental payable	25,392
Accrued interest payable	23,425
Long-term liabilities:	
Due within one year.	328,716
Due in more than one year.	8,039,539
Total liabilities	9,171,650
Deferred Inflows of Resources:	
Property taxes levied for the next fiscal year.	1,862,707
Total deferred inflows of resources	1,862,707
Net Position:	
Net investment in capital assets	16,105,232
Restricted for:	
Capital projects	688,985
Classroom facilities maintenance	371,910
Debt service.	934,391
State funded programs.	3,621
Federally funded programs	41,684
Student activities	22,470
Food Service Operations.	53,588
Unrestricted.	3,842,539
Total net position.	\$ 22,064,420

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions		
Governmental activities:					
Instruction:					
Regular	\$ 4,066,181	\$ 268,677	\$ -	\$ 1,700	\$ (3,795,804)
Special	1,120,971	16,300	526,875	-	(577,796)
Vocational	163,077	-	38,731	-	(124,346)
Support services:					
Pupil	304,576	-	45,753	-	(258,823)
Instructional staff	79,393	-	17,774	-	(61,619)
Board of education	24,789	-	-	-	(24,789)
Administration	899,540	-	-	-	(899,540)
Fiscal	296,857	-	322	-	(296,535)
Operations and maintenance	581,464	-	5,670	-	(575,794)
Pupil transportation	522,839	-	18,248	-	(504,591)
Central	104,877	-	5,400	-	(99,477)
Operation of non-instructional services:					
Food service operations	316,790	133,230	199,016	-	15,456
Other non-instructional services	59,740	-	34,474	25,270	4
Extracurricular activities	394,481	131,812	-	-	(262,669)
Interest and fiscal charges	370,049	-	-	-	(370,049)
Total governmental activities	\$ 9,305,624	\$ 550,019	\$ 892,263	\$ 26,970	(7,836,372)

General Revenues:

Property taxes levied for:	
General purposes	1,916,393
Debt service	488,378
Special revenue	39,446
School district income tax	1,667,729
Grants and entitlements not restricted to specific programs	4,264,180
Investment earnings	9,479
Miscellaneous	32,941
Total general revenues	8,418,546
Special item (OSFC Close out)	(739,177)
Total general revenues and special items	7,679,369
Change in net position	(157,003)
Net position at beginning of year	22,221,423
Net position at end of year	\$ 22,064,420

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 3,468,419	\$ 1,062,369	\$ 1,199,979	\$ 5,730,767
Receivables:				
Taxes	2,036,410	505,060	41,648	2,583,118
Income taxes	654,779	-	-	654,779
Accounts	7,269	-	-	7,269
Accrued interest	744	-	-	744
Intergovernmental	58,917	-	35,648	94,565
Prepayments	13,717	-	-	13,717
Materials and supplies inventory	-	-	9,765	9,765
Total assets	\$ 6,240,255	\$ 1,567,429	\$ 1,287,040	\$ 9,094,724
Liabilities:				
Accounts payable	\$ 29,681	\$ -	\$ 21	\$ 29,702
Accrued wages and benefits	591,048	-	18,399	609,447
Compensated absences payable	24,909	-	-	24,909
Intergovernmental payable	24,461	-	931	25,392
Pension obligation payable	109,892	-	5,537	115,429
Total liabilities	\$ 779,991	\$ -	\$ 24,888	\$ 804,879
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	1,467,733	364,853	30,121	1,862,707
Delinquent property tax revenue not available	78,839	20,060	1,648	100,547
Accrued interest not available	139	-	-	139
Income tax revenue not available	107,078	-	-	107,078
Intergovernmental revenue not available	58,917	-	-	58,917
Total deferred inflows of resources	\$ 1,712,706	\$ 384,913	\$ 31,769	\$ 2,129,388
Fund Balances:				
Nonspendable:				
Materials and supplies inventory	-	-	9,765	9,765
Prepays	13,717	-	-	13,717
Restricted:				
Debt service	-	1,182,516	-	1,182,516
Capital improvements	-	-	688,985	688,985
Classroom facilities maintenance	-	-	370,262	370,262
Food service operations	-	-	58,277	58,277
Non-public schools	-	-	12,159	12,159
Special education	-	-	16,713	16,713
Targeted academic assistance	-	-	24,971	24,971
Other purposes	-	-	3,144	3,144
Extracurricular	-	-	22,470	22,470
Committed:				
Capital improvements	-	-	23,637	23,637
Underground storage	10,000	-	-	10,000
Assigned:				
Student instruction	12,638	-	-	12,638
Student and staff support	86,850	-	-	86,850
Public school support	9,737	-	-	9,737
Other purposes	3,273	-	-	3,273
Unassigned	3,611,343	-	-	3,611,343
Total fund balances	\$ 3,747,558	\$ 1,182,516	\$ 1,230,383	\$ 6,160,457
Total liabilities, deferred inflows and fund balances	\$ 6,240,255	\$ 1,567,429	\$ 1,287,040	\$ 9,094,724

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2014

Total governmental fund balances		\$	6,160,457
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			24,004,053
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Property taxes receivable	\$	100,547	
Income taxes receivable		107,078	
Accrued interest receivable		139	
Intergovernmental receivable		<u>58,917</u>	
Total			266,681
Unamortized premiums on bond issuance are not recognized in the funds.			(111,555)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(23,425)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences payable		(199,765)	
General obligation bonds payable		(7,605,751)	
Capital lease obligations		(96,339)	
Loans payable		<u>(329,936)</u>	
Total			<u>(8,231,791)</u>
Net position of governmental activities		\$	<u>22,064,420</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Revenues:				
From local sources:				
Property taxes	\$ 1,933,676	\$ 494,872	\$ 39,829	\$ 2,468,377
Income taxes	1,668,810	-	-	1,668,810
Tuition	228,086	-	-	228,086
Earnings on investments	8,958	-	496	9,454
Charges for services	-	-	133,230	133,230
Extracurricular	43,708	-	88,104	131,812
Classroom materials and fees	11,505	-	-	11,505
Rental income	1,727	-	-	1,727
Contributions and donations	1,700	-	25,270	26,970
Other local revenues	43,659	-	32,941	76,600
Intergovernmental - state	4,459,177	78,253	57,901	4,595,331
Intergovernmental - federal	76,977	-	517,206	594,183
Total revenues	<u>8,477,983</u>	<u>573,125</u>	<u>894,977</u>	<u>9,946,085</u>
Expenditures:				
Current:				
Instruction:				
Regular	3,829,596	-	-	3,829,596
Special	874,044	-	242,407	1,116,451
Vocational	149,215	-	3,092	152,307
Support services:				
Pupil	256,689	-	45,265	301,954
Instructional staff	39,281	-	19,799	59,080
Board of education	20,097	-	-	20,097
Administration	893,452	-	-	893,452
Fiscal	284,668	13,129	1,026	298,823
Operations and maintenance	523,031	-	18,067	541,098
Pupil transportation	506,952	-	18,254	525,206
Central	99,477	-	5,400	104,877
Operation of non-instructional services:				
Food service operations	-	-	316,482	316,482
Other non-instructional services	30	-	33,958	33,988
Extracurricular activities	216,910	-	81,414	298,324
Facilities acquisition and construction	-	-	47,069	47,069
Debt service:				
Principal retirement	72,731	235,000	-	307,731
Interest and fiscal charges	28,098	298,723	-	326,821
Total expenditures	<u>7,794,271</u>	<u>546,852</u>	<u>832,233</u>	<u>9,173,356</u>
Excess of revenues over expenditures	<u>683,712</u>	<u>26,273</u>	<u>62,744</u>	<u>772,729</u>
Other financing sources (uses):				
Transfers in	-	196,310	433,406	629,716
Transfers (out)	(50,000)	-	(579,716)	(629,716)
Total other financing sources (uses)	<u>(50,000)</u>	<u>196,310</u>	<u>(146,310)</u>	<u>-</u>
Special item:				
OSFC Closeout	-	-	(739,177)	(739,177)
Total Special items	<u>-</u>	<u>-</u>	<u>(739,177)</u>	<u>(739,177)</u>
Net change in fund balances	633,712	222,583	(822,743)	33,552
Fund balances at beginning of year	<u>3,113,846</u>	<u>959,933</u>	<u>2,053,126</u>	<u>6,126,905</u>
Fund balances at end of year	<u>\$ 3,747,558</u>	<u>\$ 1,182,516</u>	<u>\$ 1,230,383</u>	<u>\$ 6,160,457</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Net change in fund balances - total governmental funds \$ 33,552

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital asset additions	\$	92,015	
Current year depreciation		(543,488)	
Total			(451,473)

Principal payments on bonds, capital leases and loans are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 307,731

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes		(24,161)	
Income taxes		(1,081)	
Earnings on investments		139	
Intergovernmental		(24,860)	
Total			(49,963)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:

Accrued interest payable		374	
Accreted interest on capital appreciation bonds		(48,811)	
Amortization of bond premiums		5,209	
Total			(43,228)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 46,378

Change in net position of governmental activities \$ (157,003)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Property taxes	\$ 1,827,545	\$ 1,928,000	\$ 1,928,642	\$ 642
Income taxes.	1,607,364	1,695,716	1,699,825	4,109
Tuition.	210,433	222,000	228,086	6,086
Earnings on investments	7,583	8,000	8,801	801
Classroom materials and fees	10,427	11,000	11,680	680
Rental income	948	1,000	1,727	727
Contributions and donations	-	-	1,700	1,700
Other local revenues	39,812	42,000	43,659	1,659
Intergovernmental - state	4,214,824	4,446,500	4,459,177	12,677
Intergovernmental - federal	67,301	71,000	76,977	5,977
Total revenues	<u>7,986,237</u>	<u>8,425,216</u>	<u>8,460,274</u>	<u>35,058</u>
Expenditures:				
Current:				
Instruction:				
Regular	4,365,788	4,465,791	3,899,132	566,659
Special.	821,095	924,095	879,529	44,566
Vocational.	148,039	155,039	149,732	5,307
Other.	46,470	46,470	46,470	-
Support services:				
Pupil.	280,137	280,137	262,342	17,795
Instructional staff	74,746	74,746	53,474	21,272
Board of education	14,000	21,500	20,290	1,210
Administration.	809,888	949,888	938,822	11,066
Fiscal	325,233	306,233	292,148	14,085
Business	34,782	37,782	36,280	1,502
Operations and maintenance.	649,890	620,890	560,161	60,729
Pupil transportation	520,287	575,287	549,388	25,899
Central.	85,000	102,000	95,619	6,381
Operation of non-instructional services:				
Other non-instructional services	14,000	17,000	1,458	15,542
Extracurricular activities.	199,000	251,000	185,135	65,865
Total expenditures	<u>8,388,355</u>	<u>8,827,858</u>	<u>7,969,980</u>	<u>857,878</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(402,118)</u>	<u>(402,642)</u>	<u>490,294</u>	<u>892,936</u>
Other financing sources (uses):				
Refund of prior year's expenditures	9,479	10,000	17,572	7,572
Transfers (out).	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(40,521)</u>	<u>(40,000)</u>	<u>(32,428)</u>	<u>7,572</u>
Net change in fund balance	(442,639)	(442,642)	457,866	900,508
Fund balance at beginning of year	2,697,914	2,697,914	2,697,914	-
Prior year encumbrances appropriated	167,680	167,680	167,680	-
Fund balance at end of year	<u>\$ 2,422,955</u>	<u>\$ 2,422,952</u>	<u>\$ 3,323,460</u>	<u>\$ 900,508</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and investments.	\$ -	\$ 57,719
Investments in segregated accounts.	262,968	-
Receivables:		
Accrued interest.	19	-
Total assets.	262,987	\$ 57,719
Liabilities:		
Accounts payable.	\$ -	\$ 520
Intergovernmental payable.	-	10
Due to students.	-	57,189
Total liabilities.	-	\$ 57,719
Net position:		
Held in trust for scholarships	262,987	
Total net position.	\$ 262,987	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Private-Purpose Trust
	Scholarship
Additions:	
Interest.	\$ 269
Gifts and contributions.	45
	314
Total additions.	314
Deductions:	
Scholarships awarded	2,150
	(1,836)
Change in net position	(1,836)
Net position at beginning of year.	264,823
Net position at end of year	\$ 262,987

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Buckeye Central Local School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and the privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a local school district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District.

The District employs 57 certified employees and 36 non-certified employees who provide services to 742 students.

The District provides regular, vocational and special instruction. The District also provides support services for the pupils, instructional staff, general and school administration, business and fiscal services, facilities acquisitions and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities and nonprogrammed services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (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's significant accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government and component units. 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; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) 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. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

The following organizations are described due to their relationship to the District:

PUBLIC ENTITY RISK POOLS

Wyandot Crawford Health Benefit Plan

The District is a member of the Wyandot Crawford Health Benefit Plan, which is a consortium established between the District, Galion City Schools, Carey Exempted Village Schools, Colonel Crawford Local Schools, Upper Sandusky Exempted Village Schools, Shelby City Schools and Triway Local Schools to act as a common risk management and insurance program. Refer to Note 12 for further information on this insurance pool.

Ohio School Boards Association Workers' Compensation Group Rating Program (GRP)

The District participates in a group rating plan for workers' compensation as established in Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Program was established as an insurance purchasing pool and is governed by a three-member Board of Directors. The Executive Director of the Ohio School Boards Association, or his/her designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program. Refer to Note 12 for further information on this group rating program.

JOINTLY GOVERNED ORGANIZATIONS

Northern Ohio Educational Computer Association (NOECA)

The District is a participant in the Northern Ohio Educational Computer Association (NOECA), which is a computer consortium. NOECA is an association of forty-one public school districts and educational service centers formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The NOECA Board of Directors consists of two representatives from each county in which participating school districts are located, the chairman of each of the operating committees and a representative from the fiscal agent. Financial information can be obtained from its fiscal agent, the North Point Educational Service Center, Betty Schwiefert, who serves as Controller, 2900 South Columbus Avenue, Sandusky, Ohio 44870.

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The District does not have proprietary funds.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

The following are the District's major governmental funds:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Bond retirement fund - The debt service fund is used to account for the accumulation of resources and payment of general obligation bond and principal and interest from governmental resources when the government is obligated in some manner for payment. It is also used to account for the accumulation or resources and payment of general obligation bonds payable.

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets and (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's only trust fund is a private-purpose trust which accounts for scholarship programs for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund accounts for student activities.

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column. Fiduciary funds are reported by fund type.

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The private-purpose trust fund is reported using the economic resources measurement focus. The agency fund does not report a measurement focus as it does not report operations.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting.

Revenues - Exchange and Nonexchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6).

Revenue from income taxes is recognized in the fiscal year in which the underlying exchange transaction occurred (See Note 7).

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, interest, tuition, grants, student fees and rentals.

Deferred Inflows of Resources and Deferred Outflows of Resources - A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period.

Property taxes for which there is an enforceable legal claim as of June 30, 2014, but which were levied to finance fiscal year 2015 operations, and other revenues received in advance of the fiscal year for which they were intended to finance, have been recorded as deferred inflows. Income taxes and grants not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at June 30, 2014, are recorded as deferred inflows on the governmental fund financial statements.

On governmental fund financial statements, receivables that will not be collected within the available period have been reported as deferred inflows of resources.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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

E. Budgets

The District is required by State statute to adopt an annual appropriated cash basis budget for all funds (except agency funds). The specific timetable for fiscal year 2014 is as follows:

1. 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 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 Crawford County Budget Commission for tax rate determination. The Crawford County Budget Commission waived this requirement for fiscal year 2014.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

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 original and final certificates of estimated resources issued for fiscal year 2014.
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. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present the budgetary statement comparison at the fund and function level of expenditures. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures may not exceed the appropriation totals.
5. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All 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 prior to June 30, 2014.
8. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures may not exceed budgeted appropriations at the legal level of control.

F. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all 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 investments" on the basic financial statements.

During fiscal year 2014, investments were limited to investments in the State Treasury Asset Reserve of Ohio (STAR Ohio) and nonnegotiable certificates of deposits. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

The District has invested funds in STAR Ohio during fiscal year 2014. 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 shares price which is the price the investment could be sold for on June 30, 2014.

Under existing Ohio statutes all investment earnings are assigned to the general fund, unless statutorily required to be credited to a specific fund or by Board Resolution. Interest revenue credited to the general fund during fiscal year 2014 amounted to \$8,958, which includes \$4,064 assigned from other District funds.

For presentation on the basic financial statements, 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 District's investment account at year end is provided in Note 4.

G. Inventory

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

On the fund financial statements, reported material and supplies inventory is equally offset by a nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

H. Capital Assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deductions during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. The District does not possess infrastructure.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

All reported capital assets except land are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	Governmental Activities <u>Estimated Lives</u>
Land improvements	5 - 20 years
Buildings and improvements	20 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	6 - 10 years

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables”. These amounts are eliminated in the governmental activities column on the statement of net position. The District had no interfund loans at June 30, 2014.

J. Compensated Absences

Compensated absences of the District consist of vacation leave and sick leave to the extent that payments 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. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for severance is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2014, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees age fifty or greater with at least ten years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2014 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and loans are recognized as a liability on the fund financial statements when due.

L. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

Restricted - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes, but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

M. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

N. Bond Premium

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds. On the governmental fund financial statements, bond premiums are recognized in the current period.

A reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 11.A.

O. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At fiscal year-end, because prepayments are not available to finance future governmental fund expenditures, the fund balance is nonspendable on the fund financial statements by an amount equal to the carrying value of the asset.

P. Estimates

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

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

Q. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the basic financial statements.

R. Parochial School

Within the District boundaries is St. Bernards, which is operated through the Toledo Catholic Diocese. Current State legislation provides funding to this school. These monies are received and disbursed on behalf of the parochial school by the Treasurer of the District, as directed by the school. The fiduciary responsibility of the district for these monies is reflected in a nonmajor governmental fund for financial reporting purposes.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. During fiscal year 2014, the District reported a special item of \$739,177 as a repayment of project funds that were due back to the Ohio School Facilities Commission (OSFC) as a result of the closeout of the Districts project.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For fiscal year 2014, the District has implemented GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees".

GASB Statement No. 70 improves the recognition, measurement, and disclosures for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the District.

NOTE 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.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above 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);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent 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 classifications by at least two nationally recognized rating agencies.

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.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 4 - DEPOSITS 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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash on Hand

At fiscal year end, the District had \$150 in undeposited cash on hand which is included on the financial statements of the District as part of "equity in pooled cash and cash equivalents".

B. Investments in Segregated Accounts

At June 30, 2014, \$262,968 was on deposit in the District's scholarship account and included in the total amount of deposits reported below; however, this amount is not part of the internal cash pool reported on the balance sheet and statement of net position; it is reported on the statement of fiduciary net position as "investments in segregated accounts".

C. Deposits with Financial Institutions

At June 30, 2014, the carrying amount of all District deposits, including \$2,267,933 in nonnegotiable certificates of deposit, was \$4,861,408. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2014, \$3,261,960 of the District's bank balance of \$5,716,990 was exposed to custodial risk as discussed below, while \$2,455,030 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

D. Investments

As of June 30, 2014, the District had the following investments:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities 6 months or less</u>
STAR Ohio	\$ 1,189,896	\$ 1,189,896
Total	<u>\$ 1,189,896</u>	<u>\$ 1,189,896</u>

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investment policy does not specifically address credit risk beyond requiring the District to only invest in securities authorized by State Statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2014:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
STAR Ohio	\$ 1,189,896	100.00
Total	<u>\$ 1,189,896</u>	<u>100.00</u>

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

E. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2014:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 4,861,408
Investments	1,189,896
Cash on hand	150
Total	\$ 6,051,454
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 5,730,767
Private-purpose trust funds	262,968
Agency funds	57,719
Total	\$ 6,051,454

NOTE 5 - INTERFUND TRANSACTIONS

Interfund transfers for the fiscal year ended June 30, 2014, consisted of the following, as reported on the fund financial statements:

<u>Transfers to nonmajor governmental funds from:</u>	
General fund	\$ 50,000
Nonmajor governmental fund	383,406
 <u>Transfers to bond retirement fund from:</u>	
Nonmajor governmental fund	196,310
Total	\$ 629,716

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfers from the classroom facilities fund (a nonmajor governmental fund) to the bond retirement fund and the permanent improvement fund (a nonmajor governmental fund) were part of the District's closeout of their OSFC project.

Transfers between governmental funds are eliminated on the statement of activities.

All transfers made in fiscal year 2014 were in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2014 represent the collection of calendar year 2013 taxes. Real property taxes received in calendar year 2014 were levied after April 1, 2013, on the assessed values as of January 1, 2013, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2014 represent the collection of calendar year 2013 taxes. Public utility real and personal property taxes received in calendar year 2014 became a lien on December 31, 2012, were levied after April 1, 2013, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Crawford 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, 2014, are available to finance fiscal year 2014 operations. The amount available as an advance at June 30, 2014 was \$489,838 in the general fund, \$120,147 in the bond retirement fund and \$9,879 in the classroom facilities fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2013 was \$484,804 in the general fund, \$130,988 in the bond retirement fund, and \$9,827 in the classroom facilities fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2014 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow of resources.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2014 taxes were collected are:

	2013 Second Half Collections		2014 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 97,500,840	95.00	\$ 95,516,990	94.60
Public utility personal	<u>5,094,950</u>	<u>5.00</u>	<u>5,456,650</u>	<u>5.40</u>
Total	<u>\$ 102,595,790</u>	<u>100.00</u>	<u>\$ 100,973,640</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation				
Current	\$45.00		\$45.00	
Debt	6.00		5.50	
Classroom facilities maintenance	0.50		0.50	

NOTE 7 - SCHOOL DISTRICT INCOME TAX

The school district income tax (SDIT) is an income tax separate from federal, State, and city income taxes which is earmarked specifically to support school districts. Residents pay the tax through employer withholding, individual quarterly estimates, and annual returns which are remitted to the Ohio Department of Taxation.

Payments are made to the District through the Ohio Department of Taxation. The available money is distributed to the District on a quarterly basis with a summary report for March, June, September, and December. These quarterly reports contain the total gross collections, less refunds and 1.75% for administrative fees, and also includes interest earned. The total available is usually sent to the District within a month of the end of the quarter.

The 1.5% SDIT was passed in November 1989, and collections began January 1, 1990. SDIT revenue received by the general fund during fiscal year 2014 was \$1,668,810.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 8 - RECEIVABLES

Receivables at June 30, 2014 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the items of receivables reported on the statement of net position follows:

Governmental activities:	
Property taxes	\$ 2,583,118
Income taxes	654,779
Accounts	7,269
Accrued interest	744
Intergovernmental	<u>94,565</u>
Total	<u>\$ 3,340,475</u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected in the subsequent year.

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	Balance <u>06/30/13</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>06/30/14</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 421,398	\$ -	\$ -	\$ 421,398
Total capital assets, not being depreciated	<u>421,398</u>	<u>-</u>	<u>-</u>	<u>421,398</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	326,253	-	-	326,253
Buildings and improvements	25,257,741	5,763	-	25,263,504
Furniture and equipment	625,573	-	-	625,573
Vehicles	<u>725,753</u>	<u>86,252</u>	<u>(34,863)</u>	<u>777,142</u>
Total capital assets, being depreciated	<u>26,935,320</u>	<u>92,015</u>	<u>(34,863)</u>	<u>26,992,472</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(172,682)	(15,743)	-	(188,425)
Buildings and improvements	(1,923,717)	(416,026)	-	(2,339,743)
Furniture and equipment	(224,749)	(71,015)	-	(295,764)
Vehicles	<u>(580,044)</u>	<u>(40,704)</u>	<u>34,863</u>	<u>(585,885)</u>
Total accumulated depreciation	<u>(2,901,192)</u>	<u>(543,488)</u>	<u>34,863</u>	<u>(3,409,817)</u>
Governmental activities capital assets, net	<u>\$ 24,455,526</u>	<u>\$ (451,473)</u>	<u>\$ -</u>	<u>\$ 24,004,053</u>

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 255,123
Special	13,108
Vocational	10,770
<u>Support services:</u>	
Pupil	2,622
Instructional staff	18,492
Board of education	4,692
Administration	17,705
Fiscal	562
Operations and maintenance	87,770
Pupil transportation	4,131
Operation of non-instructional	21,853
Extracurricular activities	96,417
Food Service Operations	<u>10,243</u>
Total depreciation expense	<u>\$ 543,488</u>

NOTE 10 - CAPITALIZED LEASES - LESSEE DISCLOSURE

During the prior fiscal year, the District entered into capitalized leases for copiers, computers and equipment. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as regular function expenditures on the budgetary statements.

Equipment in the amount of \$111,922 has been capitalized as a capital asset. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability is recorded in the government-wide financial statements. Principal payments in fiscal year 2014 totaled \$44,692 paid by the general fund. Accumulated depreciation as of June 30, 2014 was \$33,577, leaving a current book value of \$78,345.

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2014:

<u>Fiscal Year Ending June 30,</u>	
2015	\$ 34,014
2016	27,232
2017	27,232
2018	<u>22,693</u>
Total minimum lease payments	111,171
Less amount representing interest	<u>(14,832)</u>
Total	<u>\$ 96,339</u>

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 11 - LONG-TERM OBLIGATIONS

- A. During fiscal year 2014, the following activity occurred in the governmental activities long-term obligations:

	Balance			Balance	Amounts
	June 30, 2013	Additions	Reductions	June 30, 2014	Due in
					One Year
General obligation bonds	\$ 7,791,940	\$ 48,811	\$ (235,000)	\$ 7,605,751	\$ 225,825
Capital lease	141,031	-	(44,692)	96,339	27,505
Loan payable	357,975	-	(28,039)	329,936	29,531
Compensated absences	290,082	22,654	(88,062)	224,674	45,855
	<u>8,581,028</u>	<u>71,465</u>	<u>(395,793)</u>	8,256,700	<u>\$ 328,716</u>
Add: Unamortized premium on bonds				<u>111,555</u>	
Total on statement of net position				<u>\$ 8,368,255</u>	

Compensated Absences: Compensated absences will be paid from the fund from which the employee's salaries are paid which, for the District, are primarily the general fund and food service fund (a nonmajor governmental fund).

Capital Lease Obligation: See Note 10 for detail on the capital lease obligation.

- B. General Obligation Bonds - Series 2007: On May 30, 2007, the District issued general obligation bonds to finance building construction and improvements in accordance with the terms of a facilities grant from the Ohio Schools Facilities Commission (OSFC). The total project (hereafter "Construction Project") encompasses the construction of one new facility to house K-12 and to demolish Buckeye East Elementary, Buckeye North Elementary, Buckeye West Elementary and Buckeye Central High School. This issue is comprised of both current interest bonds, par value \$8,260,000, and capital appreciation bonds, par value \$180,991. The interest rates on the current interest bonds range from 4.00% to 4.25%. The capital appreciation bonds mature on December 1, 2014 (stated interest 12.59%) and December 1, 2015 (stated interest 12.59%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$480,000. Total accreted interest of \$244,760 has been included in the statement of net position at June 30, 2014.

These bonds represent the amount of the Construction Project that the District itself was required to finance, in accordance with the terms of the facilities grant from OSFC. The total cost of the construction project was \$21,284,160, of which OSFC paid \$16,924,895.

In conjunction with the 5.8 mils which support the bond issue, the District also passed in fiscal year 2007 a .5 mil levy to ultimately fund the maintenance costs of the new facilities.

These bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for in the statement of net position. Payments of principal and interest relating to this bond are recorded as an expenditure in the debt service fund.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2035.

The following is a schedule of activity for fiscal year 2014 on the 2007 series bonds:

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2014</u>
Current interest bonds -				
2007 Series	\$ 7,415,000	\$ -	\$ (235,000)	\$ 7,180,000
Capital appreciation bonds -				
2007 Series	180,991	-	-	180,991
Capital appreciation bonds -				
Accreted Interest	<u>195,949</u>	<u>48,811</u>	<u>-</u>	<u>244,760</u>
Total	<u>\$ 7,791,940</u>	<u>\$ 48,811</u>	<u>\$ (235,000)</u>	<u>\$ 7,605,751</u>

The following is a summary of the future debt service requirements to maturity for the 2007 series bonds:

Fiscal Year Ending June 30,	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ -	\$ 294,022	\$ 294,022	\$ 96,014	\$ 143,986	\$ 240,000
2016	-	294,023	294,023	84,977	155,023	240,000
2017	240,000	289,223	529,223	-	-	-
2018	250,000	279,423	529,423	-	-	-
2019	260,000	269,223	529,223	-	-	-
2020 - 2024	1,460,000	1,178,915	2,638,915	-	-	-
2025 - 2029	1,780,000	855,715	2,635,715	-	-	-
2030 - 2034	2,180,000	452,426	2,632,426	-	-	-
2035 - 2036	<u>1,010,000</u>	<u>43,350</u>	<u>1,053,350</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 7,180,000</u>	<u>\$ 3,956,320</u>	<u>\$ 11,136,320</u>	<u>\$ 180,991</u>	<u>\$ 299,009</u>	<u>\$ 480,000</u>

- C. **Loans Payable:** On July 11, 2002, the Board of Education passed a resolution to approve an agreement to assume operations of Bloomville Elementary School from the Tiffin City School District. The affected territory is contiguous with the existing District boundaries. In September 2002, the Ohio Department of Education approved the District's application for approval of this transaction.

The agreement provided that the Tiffin City School District would transfer ownership of all Bloomville elementary real and personal property to the District, and the District will pay the pro rata share of Tiffin City School District's general obligation debt, which amounts to \$23,235 semi-annually including interest.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The remaining balance of the debt, including interest, at June 30, 2014, is \$418,231 and matures in 2023. The District receives tax revenue related to the new boundaries. The District demolished the building related to the transfer of assets in fiscal year 2010 and sold the land in fiscal year 2011. The assets were taken off the capital asset activities in the appropriate years. The activity related to this transaction has been reclassified and is reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements in the general fund.

The following is a summary of the future debt service requirements for the loan payable to Tiffin City School District:

Fiscal Year Ending June 30,	Principal	Interest	Total
2015	\$ 29,531	\$ 16,939	\$ 46,470
2016	31,101	15,369	46,470
2017	32,756	13,714	46,470
2018	34,499	11,971	46,470
2019	36,333	10,137	46,470
2020 - 2023	<u>165,715</u>	<u>20,166</u>	<u>185,881</u>
Total	<u>\$ 329,935</u>	<u>\$ 88,296</u>	<u>\$ 418,231</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 code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2014, are a voted debt margin of \$2,909,153 (including available funds of \$1,182,516) and an unvoted debt margin of \$100,974.

NOTE 12 - RISK MANAGEMENT

A. Comprehensive

The District is subject to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 12 - RISK MANAGEMENT - (Continued)

The District maintains property insurance with Dawson Companies for real property and building contents. Real property and contents are insured for \$31,025,471. General liability is protected by KMU, with a \$2,000,000 annual aggregate/\$1,000,000 single occurrence limit and \$6,000,000 excess liability coverage. The bus fleet is also covered by Dawson Companies.

Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years. There was no significant reduction in coverage from the prior year.

B. Employee Health Insurance

The District has joined together with Carey Exempted Village Schools, Colonel Crawford Local Schools, Galion City School District, Shelby City School District, Triway Local School District and Upper Sandusky Exempted Village Schools to form the Wyandot Crawford Health Benefit Plan (WCHBP), a public entity shared risk pool, operating as a common risk management and insurance program for the member Districts. The plan was organized to provide benefit coverage for employees, dependents and designated beneficiaries of such employees. The Huntington National Bank serves as trustee for the Wyandot-Crawford Health Benefit Plan. The District pays an annual premium to the pool for its general insurance coverage. The risk of loss transfers entirely from the District to WCHBP. The Agreement for formation of the WCHBP provides that the WCHBP will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$150,000 for each insured event.

C. Workers' Compensation

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

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. The workers' compensation experience of the participating school districts is calculated as one and a common premium rate is applied to participants. Participation in the GRP is limited to school districts that can meet the selection criteria. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the GRP.

NOTE 13 - PENSION PLANS

A. School Employees Retirement System

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement, disability, survivor 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. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under "Employers/Audit Resources".

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 13 - PENSION PLANS - (Continued)

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2014, 13.05 percent and 0.05 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 14 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2014, 2013 and 2012 were \$115,924, \$118,088 and \$121,462, respectively; 80.61 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

B. State Teachers Retirement System of Ohio

Plan Description - The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org, under "Publications".

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For fiscal year 2014, plan members were required to contribute 11 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 14 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 13 - PENSION PLANS - (Continued)

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2014, 2013 and 2012 were \$406,064, \$406,148 and \$423,782, respectively; 84.09 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012. Contributions to the DC and Combined Plans for fiscal year 2014 were \$16,020 made by the District and \$12,587 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2014 certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

NOTE 14 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - The District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2014 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income and the SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under "Employers/Audit Resources".

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2014, 0.14 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2014, the actuarially determined amount was \$20,250.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

Active members do not contribute to the postemployment benefit plans. The Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2014, 2013 and 2012 were \$14,691, \$15,859 and \$19,691, respectively; 80.61 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2014, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2014, 2013, and 2012 were \$6,725, \$6,671 and \$7,173, respectively; 80.61 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

B. State Teachers Retirement System of Ohio

Plan Description - The District contributes to the cost sharing, multiple employer defined benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org, under "Publications" or by calling (888) 227-7877.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2014, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2014, 2013 and 2012 were \$31,236, \$31,242 and \$32,599, respectively; 84.09 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance 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 and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund 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);

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ 457,866
Net adjustment for revenue accruals	(25,999)
Net adjustment for expenditure accruals	92,520
Net adjustment for other sources/uses	(17,572)
Funds budgeted elsewhere	4,948
Adjustment for encumbrances	121,949
GAAP basis	<u>\$ 633,712</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the special trust fund, underground storage tank fund and the public school support fund.

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 are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

The District is involved in no material litigation as either plaintiff or defendant.

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 17 - SET-ASIDES

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

The following cash-basis information describes the change in the fiscal year-end set-aside amount for capital improvements. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>
Set-aside balance June 30, 2013	\$ -
Current year set-aside requirement	118,650
Contributions in excess of the current fiscal year set-aside requirement	-
Current year qualifying expenditures	(116,379)
Excess qualified expenditures from prior years	
Current year offsets	(45,769)
Waiver granted by ODE	-
Prior year offset from bond proceeds	<u>-</u>
Total	<u>\$ (43,498)</u>
Balance carried forward to fiscal year 2015	<u>\$ -</u>
Set-aside balance June 30, 2014	<u>\$ -</u>

NOTE 18 - OTHER COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are reservations of fund balance for subsequent-year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District's commitments for encumbrances in the governmental funds were as follows:

<u>Fund Type</u>	<u>Year-End Encumbrances</u>
General fund	\$ 99,488
Nonmajor governmental funds	<u>74,077</u>
Total	<u>\$ 173,565</u>

SUPPLEMENTARY DATA

BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(A) PASS-THROUGH GRANT NUMBER	(B) CASH FEDERAL RECEIPTS	(B) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION				
Child Nutrition Grant Cluster:				
(D) (E) School Breakfast Program	10.553	2014	\$ 32,948	\$ 32,948
(D) (E) National School Lunch Program	10.555	2014	139,135	139,135
(C) (D) National School Lunch Program - Food Donation	10.555	2014	21,391	21,391
Total National School Lunch Program			<u>160,526</u>	<u>160,526</u>
Total Child Nutrition Grant Cluster			<u>193,474</u>	<u>193,474</u>
Total U.S. Department of Agriculture			<u>193,474</u>	<u>193,474</u>
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION				
Title I Grants to Local Educational Agencies	84.010	2013	19,406	26,476
Title I Grants to Local Educational Agencies	84.010	2014	124,400	119,444
Total Title I Grants to Local Educational Agencies			<u>143,806</u>	<u>145,920</u>
Special Education Grants to States	84.027	2013	12,822	15,266
Special Education Grants to States	84.027	2014	137,300	135,757
Total Special Education Grants to States			<u>150,122</u>	<u>151,023</u>
Improving Teacher Quality State Grants	84.367	2013	-	2,025
Improving Teacher Quality State Grants	84.367	2014	17,774	17,774
Total Improving Teacher Quality State Grants			<u>17,774</u>	<u>19,799</u>
Total U.S. Department of Education			<u>311,702</u>	<u>316,742</u>
Total Federal Financial Assistance			<u>\$ 505,176</u>	<u>\$ 510,216</u>

Notes to the Schedule of Receipts and Expenditures of Federal Awards:

- (A) OAKS did not assign pass-through numbers for fiscal year 2014.
- (B) This schedule was prepared on the cash basis of accounting.
- (C) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are reported at the entitlement value
- (D) Included as part of "Child Nutrition Grant Cluster" in determining major programs.
- (E) Commingled with state and local revenue from sales of breakfast and lunches; assumed expenditures were made on a first-in, first-out basis.



Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Required by *Government Auditing Standards***

Buckeye Central Local School District
Crawford County
938 S. Kibler Street
New Washington, Ohio 44854

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Buckeye Central Local School District, Crawford County, Ohio, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Buckeye Central Local School District's basic financial statements and have issued our report thereon dated December 4, 2014.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Buckeye Central Local School District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Buckeye Central Local School District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Buckeye Central Local School District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Board of Education
Buckeye Central Local School District

Compliance and Other Matters

As part of reasonably assuring whether the Buckeye Central Local School District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Buckeye Central Local School District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Buckeye Central Local School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
December 4, 2014



Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Auditor's Report on Compliance With Requirements Applicable to Each
Major Federal Program and on Internal Control Over Compliance
Required by OMB Circular A-133**

Board of Education
Buckeye Central Local School District
Crawford County
938 S. Kibler Street
New Washington, Ohio 44854

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited the Buckeye Central Local School District's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Buckeye Central Local School District's major federal program for the fiscal year ended June 30, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Buckeye Central Local School District's major federal program.

Management's Responsibility

The Buckeye Central Local School District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the Buckeye Central Local School District's compliance for the Buckeye Central Local School District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Buckeye Central Local School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Buckeye Central Local School District's major program. However, our audit does not provide a legal determination of the Buckeye Central Local School District's compliance.

Opinion on the Major Federal Program

In our opinion, the Buckeye Central Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the fiscal year ended June 30, 2014.

Board of Education
Buckeye Central Local School District

Report on Internal Control Over Compliance

The Buckeye Central Local School District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Buckeye Central Local School District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Buckeye Central Local School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.
December 4, 2014

**BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2014**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under §.510(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	Special Education Grants to States, CFDA #84.027
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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Dave Yost • Auditor of State

BUCKEYE CENTRAL LOCAL SCHOOL DISTRICT

CRAWFORD 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 30, 2014**