

BEAVER LOCAL SCHOOL DISTRICT
INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Education
Beaver Local School District
Lisbon, Ohio

We have reviewed the Independent Auditor's Report of the Beaver Local School District, Columbiana County, prepared by Gary B. Fink & Associates, Inc., for the audit period July 1, 1999 to June 30, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO
Auditor of State

March 6, 2001

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**BEAVER LOCAL SCHOOL DISTRICT
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Beaver Local School District
13093 State Route 7
Lisbon, Ohio 44432

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

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

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

As discussed in Note 3 to the general purpose financial statements, the District restated beginning fund balances on the budgetary basis of accounting.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2001 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

INDEPENDENT AUDITOR'S REPORT (continued)

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



GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

January 10, 2001

GENERAL PURPOSE FINANCIAL STATEMENTS

BEAVER LOCAL SCHOOL DISTRICT
 Combined Balance Sheet
 All Fund Types and Accounts Groups
 June 30, 2000

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Type
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Agency
<u>Assets and Other Debits:</u>						
<u>Assets:</u>						
Equity in Pooled Cash and Cash Equivalents	\$249,924	\$268,449	\$0	\$187,252	\$1,317	\$40,160
Cash With Fiscal Agent	0	0	513	0	0	0
Receivables:						
Taxes	4,510,142	0	0	0	0	0
Accounts	36,568	12	0	0	328	445
Intergovernmental	17,011	14,171	0	0	0	0
Interfund Receivable	13,589	0	0	0	0	0
Prepaid Items	4,721	0	0	0	0	0
Inventory Held for Resale	0	0	0	0	14,668	0
Materials and Supplies						
Inventory	24,124	0	0	0	3,718	0
Restricted Assets: Equity in Pooled Cash and Cash Equivalents	150,796	0	0	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0	72,230	0
<u>Other Debits:</u>						
Amount to be Provided from General Government Resources	0	0	0	0	0	0
Total Assets and Other Debits	\$5,006,875	\$282,632	\$513	\$187,252	\$92,261	\$40,605

See accompanying notes to the general purpose financial statements.

Account Groups		Totals (Memorandum Only)
General Fixed Assets	General Long-Term Obligations	
\$0	\$0	\$747,102
0	0	513
0	0	4,510,142
0	0	37,353
0	0	31,182
0	0	13,589
0	0	4,721
0	0	14,668
0	0	27,842
0	0	150,796
7,672,451	0	7,744,681
0	1,643,574	1,643,574
<u>\$7,672,451</u>	<u>\$1,643,574</u>	<u>\$14,926,163</u>

(Continued)

BEAVER LOCAL SCHOOL DISTRICT
 Combined Balance Sheet
 All Fund Types and Accounts Groups
 June 30, 2000 (Continued)

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Type
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Agency
Liabilities, <u>Fund Equity and Other Credits:</u>						
<u>Liabilities:</u>						
Accounts Payable	\$122,578	\$1,099	\$0	\$0	\$3,203	\$7,180
Accrued Wages	850,939	51,472	0	0	25,239	0
Compensated Absences Payable	7,107	0	0	0	21,206	0
Interfund Payable	0	13,510	0	0	0	79
Intergovernmental Payable	204,916	11,272	0	0	23,680	0
Deferred Revenue	4,510,142	0	0	0	8,178	0
Due to Students	0	0	0	0	0	33,346
Matured Interest Payable	0	0	513	0	0	0
Capital Leases Payable	0	0	0	0	0	0
Energy Conservation Bonds Payable	0	0	0	0	0	0
Asbestos Removal Loan Payable	0	0	0	0	0	0
Total Liabilities	5,695,682	77,353	513	0	81,506	40,605
<u>Fund Equity and Other Credits:</u>						
Investment in General Fixed Assets	\$0	\$0	\$0	\$0	\$0	\$0
Contributed Capital	0	0	0	0	5,423	0
Retained Earnings:						
Unreserved	0	0	0	0	5,332	0
Fund Balances:						
Reserved for Encumbrances	90,091	8,435	0	55,359	0	0
Reserved for Inventory	24,124	0	0	0	0	0
Reserved for Prepaid Items	4,721	0	0	0	0	0
Reserved for Budget Stabilization	150,796	0	0	0	0	0
Unreserved:						
Undesignated	(958,539)	196,844	0	131,893	0	0
Total Fund Equity and Other Credits	(688,807)	205,279	0	187,252	10,755	0
Total Liabilities, Fund Equity and Other Credits	\$5,006,875	\$282,632	\$513	\$187,252	\$92,261	\$40,605

See accompanying notes to the general purpose financial statements.

Account Groups		Totals (Memorandum Only)
General Fixed Assets	General Long-Term Obligations	

\$0	\$0	\$134,060
0	0	927,650
0	1,148,712	1,177,025
0	0	13,589
0	82,932	322,800
0	0	4,518,320
0	0	33,346
0	0	513
0	265,982	265,982
0	68,572	68,572
0	77,376	77,376
<u>0</u>	<u>1,643,574</u>	<u>7,539,233</u>
\$7,672,451	\$0	\$7,672,451
0	0	5,423
0	0	5,332
0	0	153,885
0	0	24,124
0	0	4,721
0	0	150,796
<u>0</u>	<u>0</u>	<u>(629,802)</u>
<u>7,672,451</u>	<u>0</u>	<u>7,386,930</u>
<u>\$7,672,451</u>	<u>\$1,643,574</u>	<u>\$14,926,163</u>

BEAVER LOCAL SCHOOL DISTRICT
 Combined Statement of Revenues, Expenditures
 and Changes in Fund Balances
 All Governmental Fund Types
 For the Fiscal Year Ended June 30, 2000

	GOVERNMENTAL FUND TYPES		
	General	Special Revenue	Debt Service
Revenues:			
Taxes	\$4,429,601	\$0	\$40,038
Intergovernmental	7,087,860	763,838	0
Interest	53,716	0	0
Tuition and Fees	139,485	0	0
Extracurricular Activities	48,542	231,892	0
Miscellaneous	35,191	0	0
Total Revenues	11,794,395	995,730	40,038
Expenditures:			
Current:			
Instruction:			
Regular	6,418,862	262,683	0
Special	1,082,583	406,306	0
Vocational	3,515	0	0
Adult/Continuing	21,703	0	0
Other	22,662	0	0
Support Services:			
Pupils	329,563	32,005	0
Instructional Staff	358,506	61,016	0
Board of Education	19,084	0	0
Administration	1,090,487	34,622	0
Fiscal	303,123	66	0
Operation and Maintenance of Plant	1,270,816	0	0
Pupil Transportation	706,740	28	0
Extracurricular Activities	263,535	213,702	0
Capital Outlay	251,139	74,880	0
Debt Service:			
Principal Retirement	54,906	27,410	35,205
Interest and Fiscal Charges	9,567	0	4,833
Total Expenditures	12,206,791	1,112,718	40,038
Excess (Deficiency) of Revenues Over (Under) Expenditures	(412,396)	(116,988)	0
Other Financing Sources (Uses):			
Inception of Capital Lease	169,678	74,880	0
Operating Transfers In	0	27,112	0
Operating Transfers Out	(192,662)	0	0
Total Other Financing Sources (Uses)	(22,984)	101,992	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(435,380)	(14,996)	0
Fund Balances (Deficits) at Beginning of Year	(252,153)	219,587	0
Residual Equity Transfers-In	0	688	0
(Decrease) in Reserve for Inventory	(1,274)	0	0
Fund Balances (Deficits) at End of Year	(\$688,807)	\$205,279	\$0

See accompanying notes to the general purpose financial statements.

Capital Projects	Totals (Memorandum Only)
\$0	\$4,469,639
198,219	8,049,917
0	53,716
0	139,485
0	280,434
0	35,191
<u>198,219</u>	<u>13,028,382</u>

75,903	6,757,448
0	1,488,889
0	3,515
0	21,703
0	22,662
0	361,568
0	419,522
0	19,084
0	1,125,109
0	303,189
0	1,270,816
95,011	801,779
0	477,237
176,825	502,844
56,910	174,431
0	14,400
<u>404,649</u>	<u>13,764,196</u>
<u>(206,430)</u>	<u>(735,814)</u>

155,470	400,028
103,575	130,687
0	(192,662)
<u>259,045</u>	<u>338,053</u>

52,615	(397,761)
134,637	102,071
0	688
0	(1,274)
<u>\$187,252</u>	<u>(\$296,276)</u>

BEAVER LOCAL SCHOOL DISTRICT
 Combined Statement of Revenues, Expenditures and
 Changes in Fund Balances - Budget and Actual (Budget Basis)
 All Governmental Fund Types
 For the Fiscal Year Ended June 30, 2000

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$4,429,601	\$4,429,601	\$0
Intergovernmental	7,089,688	7,089,688	0
Interest	53,716	53,716	0
Tuition and Fees	113,927	113,927	0
Extracurricular Activities	48,542	48,542	0
Miscellaneous	27,830	27,830	0
Total Revenues	11,763,304	11,763,304	0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	5,940,145	6,352,662	(412,517)
Special	1,074,959	1,074,959	0
Vocational	3,688	3,688	0
Adult/Continuing	19,640	19,640	0
Other	22,662	22,662	0
Support Services:			
Pupils	325,982	325,982	0
Instructional Staff	357,726	357,726	0
Board of Education	19,001	19,001	0
Administration	1,099,911	1,099,911	0
Fiscal	303,283	303,283	0
Operation and Maintenance of Plant	1,277,488	1,277,365	123
Pupil Transportation	775,583	775,583	0
Extracurricular Activities	262,210	262,210	0
Capital Outlay	81,461	81,461	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	11,563,739	11,976,133	(412,394)
Excess (Deficiency) of Revenues Over (Under) Expenditures	199,565	(212,829)	(412,394)
<u>Other Financing Sources (Uses):</u>			
Refund of Prior Year Expenditures	13,460	13,460	0
Advances In	102,029	102,029	0
Advances Out	(13,509)	(13,509)	0
Operating Transfers In	1,417,815	1,417,815	0
Operating Transfers Out	(1,610,477)	(1,610,477)	0
Total Other Financing Sources (Uses)	(90,682)	(90,682)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	108,883	(303,511)	(412,394)
Fund Balances at Beginning of Year (Restated)	411,292	411,292	0
Prior Year Encumbrances Appropriated	195,504	195,504	0
Fund Balances at End of Year	\$715,679	\$303,285	(\$412,394)

See accompanying notes to the general purpose financial statements

Governmental Fund Types					
Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$40,038	\$40,038	\$0
747,183	747,183	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
231,930	231,930	0	0	0	0
0	0	0	0	0	0
979,113	979,113	0	40,038	40,038	0
328,217	285,178	43,039	0	0	0
407,997	407,997	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
34,576	33,357	1,219	0	0	0
64,746	64,746	0	0	0	0
0	0	0	0	0	0
34,592	34,592	0	0	0	0
70	70	0	0	0	0
0	0	0	0	0	0
28	28	0	0	0	0
246,084	222,543	23,541	0	0	0
0	0	0	0	0	0
0	0	0	35,205	35,205	0
0	0	0	4,833	4,833	0
1,116,310	1,048,511	67,799	40,038	40,038	0
(137,197)	(69,398)	67,799	0	0	0
0	0	0	0	0	0
13,510	13,510	0	0	0	0
0	0	0	0	0	0
27,800	27,800	0	0	0	0
0	0	0	0	0	0
41,310	41,310	0	0	0	0
(95,887)	(28,088)	67,799	0	0	0
221,310	221,310	0	0	0	0
67,366	67,366	0	0	0	0
\$192,789	\$260,588	\$67,799	\$0	\$0	\$0

(Continued)

BEAVER LOCAL SCHOOL DISTRICT
 Combined Statement of Revenues, Expenditures and
 Changes in Fund Balances - Budget and Actual (Budget Basis)
 All Governmental Fund Types
 For the Fiscal Year Ended June 30, 2000 (Continued)

Capital Projects Funds			
Revised Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:			
Taxes	\$0	\$0	\$0
Intergovernmental	255,819	255,819	0
Interest	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Miscellaneous	0	0	0
Total Revenues	255,819	255,819	0
Expenditures:			
Current:			
Instruction:			
Regular	165,249	132,813	32,436
Special	0	0	0
Vocational	0	0	0
Adult/Continuing	0	0	0
Other	0	0	0
Support Services:			
Pupils	0	0	0
Instructional Staff	0	0	0
Board of Education	0	0	0
Administration	0	0	0
Fiscal	0	0	0
Operation and Maintenance of Plant	0	0	0
Pupil Transportation	155,011	150,370	4,641
Extracurricular Activities	0	0	0
Capital Outlay	111,355	21,355	90,000
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	431,615	304,538	127,077
Excess (Deficiency) of Revenues Over (Under) Expenditures	(175,796)	(48,719)	127,077
Other Financing Sources (Uses):			
Refund of Prior Year Expenditures	0	0	0
Advances In	0	0	0
Advances Out	(99,820)	(99,820)	0
Operating Transfers In	103,575	103,575	0
Operating Transfers Out	0	0	0
Total Other Financing Sources (Uses)	3,755	3,755	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(172,041)	(44,964)	127,077
Fund Balances at Beginning of Year (Restated)	81,846	81,846	0
Prior Year Encumbrances Appropriated	95,011	95,011	0
Fund Balances at End of Year	\$4,816	\$131,893	\$127,077

See accompanying notes to the general purpose financial statements

Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)
\$4,469,639	\$4,469,639	\$0
8,092,690	8,092,690	0
53,716	53,716	0
113,927	113,927	0
280,472	280,472	0
27,830	27,830	0
<u>13,038,274</u>	<u>13,038,274</u>	<u>0</u>
6,433,611	6,770,653	(337,042)
1,482,956	1,482,956	0
3,688	3,688	0
19,640	19,640	0
22,662	22,662	0
360,558	359,339	1,219
422,472	422,472	0
19,001	19,001	0
1,134,503	1,134,503	0
303,353	303,353	0
1,277,488	1,277,365	123
930,622	925,981	4,641
508,294	484,753	23,541
192,816	102,816	90,000
35,205	35,205	0
4,833	4,833	0
<u>13,151,702</u>	<u>13,369,220</u>	<u>(217,518)</u>
<u>(113,428)</u>	<u>(330,946)</u>	<u>(217,518)</u>
13,460	13,460	0
115,539	115,539	0
(113,329)	(113,329)	0
1,549,190	1,549,190	0
(1,610,477)	(1,610,477)	0
<u>(45,617)</u>	<u>(45,617)</u>	<u>0</u>
(159,045)	(376,563)	(217,518)
714,448	714,448	0
357,881	357,881	0
<u>\$913,284</u>	<u>\$695,766</u>	<u>(\$217,518)</u>

BEAVER LOCAL SCHOOL DISTRICT
 Combined Statement of Revenues,
 Expenses and Changes in Fund Equity
 Proprietary Fund Type
 For the Fiscal Year Ended June 30, 2000

	Enterprise
<u>Operating Revenues:</u>	
Sales	\$355,663
Other Operating Revenues	4,639
	360,302
 <u>Operating Expenses:</u>	
Salaries	232,680
Fringe Benefits	138,513
Purchased Services	14,849
Materials and Supplies	122,085
Cost of Sales	261,114
Depreciation	1,480
Capital Outlay	4,226
	774,947
Total Operating Expenses	774,947
Operating (Loss)	(414,645)
 <u>Non-Operating Revenues:</u>	
Federal Donated Commodities	56,124
Operating Grants	255,982
Interest	602
	312,708
Total Non-Operating Revenues	312,708
(Loss) Before Operating Transfers	(101,937)
Operating Transfers In	61,975
	61,975
Net (Loss)	(39,962)
Retained Earnings at Beginning of Year	45,294
	45,294
Retained Earnings at End of Year	5,332
	5,332
Contributed Capital at Beginning of Year	5,423
	5,423
Contributed Capital at End of Year	5,423
	5,423
Total Fund Equity at End of Year	\$10,755

See accompanying notes to the general purpose financial statements.

BEAVER LOCAL SCHOOL DISTRICT
 Combined Statement of Revenues, Expenses and
 Changes in Fund Equity - Budget and Actual (Budget Basis)
 Proprietary Fund Type
 For the Fiscal Year Ended June 30, 2000

	Enterprise Funds		
	Revised Budget	Actual	Variance
<u>Revenues:</u>			
Sales	\$340,408	\$340,458	\$50
Charges for Services	15,916	15,916	0
Interest	602	602	0
Other Revenues	4,639	4,639	0
Operating Grants	296,644	296,644	0
Total Revenues	658,209	658,259	50
<u>Expenses:</u>			
Salaries	223,978	223,978	0
Fringe Benefits	141,155	141,155	0
Purchased Services	13,761	13,761	0
Materials and Supplies	331,982	331,982	0
Capital Outlay - New	5,923	5,923	0
Capital Outlay - Replacement	5,604	5,604	0
Total Expenses	722,403	722,403	0
Excess (Deficiency) of Revenue Over (Under) Expenses	(64,194)	(64,144)	50
Operating Transfers In	61,975	61,975	0
Excess (Deficiency) of Revenues Over (Under) Expenses and Operating Transfers	(2,219)	(2,169)	50
Fund Equity at Beginning of Year	1,612	1,612	0
Prior Year Encumbrances Appropriated	1,874	1,874	0
Fund Equity at End of Year	\$1,267	\$1,317	\$50

See accompanying notes to the general purpose financial statements.

BEAVER LOCAL SCHOOL DISTRICT
 Combined Statement of Cash Flows
 Proprietary Fund Type
 For the Fiscal Year Ended June 30, 2000

	<u>Enterprise Funds</u>
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$356,374
Cash Received from Other Operating Sources	4,639
Cash Payments to Suppliers for Goods and Services	(349,952)
Cash Payments to Employees for Services	(223,978)
Cash Payments for Employee Benefits	(141,155)
	(354,072)
 <u>Cash Flows from Noncapital Financing Activities:</u>	
Operating Grants Received	296,644
Operating Transfers In	61,975
	358,619
 <u>Cash Flows from Capital and Related Financing Activities:</u>	
Cash Payments for Capital Acquisitions	(7,318)
	(7,318)
 <u>Cash Flows from Investing Activities:</u>	
Interest on Investments	602
	602
Net (Decrease) in Cash and Cash Equivalents	(2,169)
Cash and Cash Equivalents at Beginning of Year	3,486
	\$1,317
 <u>Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities:</u>	
Operating (Loss)	(\$414,645)
 <u>Adjustments to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities:</u>	
Depreciation	1,480
Donated Commodities Used During Year	56,124
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	711
(Increase) in Inventory Held for Resale	(883)
(Increase) in Materials and Supplies Inventory	(1,758)
(Decrease) in Accounts Payable	(1,161)
Increase in Accrued Wages	2,467
Increase in Compensated Absences Payable	999
Increase in Intergovernmental Payable	2,594
	60,573
Net Cash (Used for) Operating Activities	(\$354,072)

See accompanying notes to the general purpose financial statements.

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

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

The Beaver Local School District operates under a locally elected, five-member Board of Education form of government and provides educational services as mandated by state and/or federal agencies. This Board controls the School District's six instructional/support facilities staffed by 78 noncertificated employees, 149 certificated full-time teaching personnel, and 20 administrators/confidential employees who provide services to 2,435 students and other community members.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Beaver Local School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Beaver Local School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the Beaver Local School District's accounting policies are described below.

A. Financial Reporting Entity

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that

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

the School District approves the budget, the issuance of debt or the levying of taxes. Management has determined the School District has no component units.

The following entities which perform activities within the School District's boundaries for the benefit of its residents are excluded from the accompanying financial statements because the School District is not financially accountable for these entities nor are they fiscally dependent on the School District:

COLUMBIANA COUNTY EDUCATIONAL SERVICE CENTER

The County Educational Service Center Board of Education is a separate body politic and corporate. A County Educational Service Center Board of Education is elected independent of any school district relationships, and administers the provision of traditional county board services. The County Educational Service Center Board of Education provides curriculum consulting services, special education services, and other services to the county schools. The County Educational Service Center Board of Education acts as the budgeting authority for its services.

ST. CLAIR TOWNSHIP

The St. Clair Township is a separate body politic and corporate. A clerk and Board of Trustees are elected independent of any school district relationships, and administer the provision of traditional township services. The Board of Trustees acts as the taxing and budgeting authority for these township services.

MADISON TOWNSHIP

The Madison Township is a separate body politic and corporate. A clerk and Board of Trustees are elected independent of any school district relationships, and administer the provision of traditional township services. The Board of Trustees acts as the taxing and budgeting authority for these township services.

ELKRUN TOWNSHIP

The Elkrun Township is a separate body politic and corporate. A clerk and Board of Trustees are elected independent of any school district relationships, and administer the provision of traditional township services. The Board of Trustees acts as the taxing and budgeting authority for these township services.

MIDDLETON TOWNSHIP

The Middleton Township is a separate body politic and corporate. A clerk and Board of Trustees are elected independent of any school district relationships, and administer the provision of traditional township services. The Board of Trustees acts as the taxing and budgeting authority for these township services.

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

BEAVER LOCAL EDUCATION ASSOCIATION

The Beaver Local Education Association (BLEA) is a separate body politic and corporate. The BLEA is affiliated with the Ohio Education Association. A Board of Officers is elected independent of any school district relationships, and administers the provision of an association. The BLEA acts as its budgeting authority for these services.

OHIO ASSOCIATION OF PUBLIC SCHOOL EMPLOYEES CHAPTER #564

The Ohio Association of Public School Employees Chapter #564 (OAPSE) is a separate body politic and corporate. The OAPSE is affiliated with AFSCME, AFL-CIO. A Board of Officers is elected independent of any school district relationships, and administers the provision of an association. The OAPSE acts as its budgeting authority for these services.

OUTSIDE SUPPORT/BOOSTER CLUBS

The officers act as the budgeting authority for these services. The School District is not involved in the budgeting or management, is not responsible for any debt, and has no influence over these organizations:

- Calcutta Mothers Club
- Calcutta Parent-Teacher Organization
- Rogers Parent-Teacher Organization
- West Point School Association
- Beaver Local Athletic Boosters Club
- Beaver Touchdown Booster Club
- Lady Beaver Hoop Club
- Big Team Basketball Club
- Beaver Local Wrestling Club
- Marine Corps Junior Reserve Officer Training Corps Booster Club
- VISIBLE
- Beaver Local Music Boosters
- Beaver Local High School Junior Parents Club
- Cheertime Boosters
- Gifted Children Association

The School District is associated with two organizations, which are defined as jointly governed organizations. These organizations are presented in Note 11 to the general purpose financial statements. These organizations are:

- Columbiana County Career Center
- Area Cooperative Computerized Education Service System (ACCESS)

The School District is also associated with an insurance purchasing pool – the Ohio School Boards Association Workers' Compensation Group Rating Program. It is presented in Note 10.

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

B. Basis Of Presentation - Fund Accounting

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

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

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

Governmental Fund Types:

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

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

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

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

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

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

Proprietary Fund Type:

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

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

Fiduciary Fund Type:

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. There are two types of fiduciary funds, trust and agency. The agency fund (the School District's only fiduciary fund type) is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations.

Account Groups:

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

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

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

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund type. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized when they are incurred, if measurable. There were no unbilled service charges receivable at year end. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as federal donated commodities non-operating revenue. Unused donated commodities at year end are reported as deferred revenue.

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

D. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources, and the Appropriation Resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriations Resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each function for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Tax Budget:

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

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

Estimated Resources:

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

Appropriations:

Upon receipt from the County Auditor of an amended Certificate of Estimated Resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual Appropriation Resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of

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

budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenditures of the School District. The Appropriation Resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures, which appear in the statements of budgetary comparisons, represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions.

Encumbrances:

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations at the fund, function, and/or object level. On the GAAP basis, encumbrances outstanding at year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

Lapsing of Appropriations:

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

E. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the Combined Balance Sheet. [During fiscal year 2000, investments were limited to overnight repurchase agreements, commercial paper, a money market fund, and the State Treasurer's Investment Pool.]

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

Except for nonparticipating investment contracts, investments such as the money market fund are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as overnight repurchase agreements are reported at cost.

The School District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2000. STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on June 30, 2000.

Following Ohio statues, the Board of Education has, by resolution, specified the funds to receive on allocation of interest earnings. Interest was distributed to the general fund and the food service fund, an enterprise fund. Interest revenue credited to the general fund during fiscal year 2000 amounted to \$53,716, which includes \$26,551 assigned from other School District funds.

The School District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the Combined Balance Sheet as "Cash with Fiscal Agent" and represents deposits.

For purposes of the Combined Statement of Cash Flows and for presentation on the Combined Balance Sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they were purchased by the School District are considered to be cash equivalents. During the fiscal year, all investments of the School District had a maturity of three months or less.

F. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. During fiscal year 2000, the School District received a \$577 refund from the Bureau of Worker's Compensation which State statute required to be included in this reserve. This refund is presented as "Miscellaneous Revenue" in the accompanying financial statements. A fund balance reserve has also been established.

G. Inventory

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of an inventory item is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is

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

equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated food and purchased food held for resale, and non-food supplies and are expensed when used.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2000, are recorded as prepaid items by using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed. Reported prepaid items are equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

I. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year.

Donated fixed assets are recorded at their fair market values as of the date donated. The School District maintains a capitalization threshold of five hundred dollars. The School District does not possess any infrastructure.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's useful life are not capitalized. In proprietary funds, improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment, the only proprietary fund type fixed asset classification, is computed using the straight-line method over an estimated useful life of five to twenty years.

J. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and

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

entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

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

Entitlements

General Fund

State Foundation Program
State Property Tax Relief (Homestead & Rollback)

Special Revenue Funds

Education Management and Information System (EMIS)
Disadvantaged Pupil Impact Aid (DPIA)

Capital Projects Funds

State School Bus Purchase Reimbursement
SchoolNet

Non-Reimbursable Grants

General Fund

Columbiana County Health Grant

Special Revenue Funds

Local Professional Development Block Grant
Interactive Video Distance Learning Grant
SchoolNet Professional Development Grant
OhioReads Grant
Safe Schools Grant
Eisenhower Grant
Title I
Title VI
National Endowment of the Humanities (NEH) Grant
Title VI-R
FCC E-Rate Grant
Drug-Free Schools Grant
"Raising the Bar" Grant

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

Reimbursable Grants

General Fund

Drivers Education Reimbursement
Marine Corps JROTC Program

Capital Projects Funds

Emergency Building Repairs

Enterprise Funds

National School Lunch Program
National School Breakfast Program
Government Donated Commodities

Grants and entitlements amounted to 60.1 percent of the School District's operating revenue during the 2000 fiscal year.

K. Short-term Interfund Assets/Liabilities

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "Interfund Receivable/Payable".

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. Sick leave benefits are accrued as a liability using the vesting method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in severance payments. The liability is an estimate based on the School District's past experience of making severance payments.

For governmental funds, 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 remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

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

M. Contributed Capital

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

N. Accrued Liabilities and Long-term Obligations

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

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

O. Interfund Transactions

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

P. Fund Balance Reserves

The School District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available spendable resources and, therefore, are not available for appropriations for expenditures. Unreserved, undesignated fund balance indicates that portion of fund equity, which is available for appropriation, in future periods. Fund equity reserves are established for encumbrances, prepaid items, inventory, and budget stabilization.

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

Q. Estimates

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

R. Total Columns on General Purpose Financial Statements

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

NOTE 3 – RESTATEMENT OF PRIOR YEAR EQUITY

The following beginning fund balances/equity on the budgetary basis have been restated to properly reflect errors from the prior fiscal year:

	General	Special Revenue	Capital Projects	Enterprise
Fund Balances/Equity as Stated				
at June 30, 1999	\$606,796	\$288,012	\$176,857	\$3,486
Restatement	(195,504)	(66,702)	(95,011)	(1,874)
Fund Balances/Equity as Restated at June 30, 1999	\$411,292	\$221,310	\$81,846	\$1,612

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures/expenses for all funds (budget) rather than as a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund type (GAAP).
4. Advances are reported on the operating statement (budget) rather than on the Combined Balance Sheet (GAAP).

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

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

	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	\$(435,380)	\$(14,996)	\$0	\$52,615
Net Adjustment for Revenue Accruals	1,270,544	(90,809)	0	0
Advance In	102,029	13,510	0	0
Revenue for Debt Payment	(40,038)	0	40,038	0
Net Adjustment for Expenditure Accruals	(1,089,721)	72,644	0	155,470
Advances Out	(13,509)	0	0	(99,820)
Debt Principal Payments	0	0	(35,205)	0
Debt Interest Payments	0	0	(4,833)	0
Adjustment for Encumbrances	(97,436)	(8,437)	0	(55,359)
Budget Basis	<u>\$(303,511)</u>	<u>\$(28,088)</u>	<u>\$0</u>	<u>\$(44,964)</u>

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

Net (Loss)/(Deficiency) of Revenues (Under)
Expenses and Operating Transfers
Proprietary Fund Type

	Enterprise
GAAP Basis	\$(39,962)
Net Adjustment for Revenue Accruals	(14,751)
Net Adjustment for Expense Accruals	51,064
Depreciation Expense	1,480
Adjustment for Encumbrances	0
Budget Basis	<u>\$(2,169)</u>

NOTE 5 – COMPLIANCE AND ACCOUNTABILITY

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

Deficit Fund Balances

General Fund	\$688,807
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Special Revenue Funds:

Drug-Free Schools Grant	824
Title VI	8,227
Education Management and Information System	1,030
DPIA	65

These funds had a deficit fund balance caused by recognition of expenditures and/or nonrecognition of revenues on the modified accrual basis of accounting which substantially differs from those recognized on the cash basis of accounting.

For the fiscal year ended June 30, 2000, expenditures plus encumbrances exceeded appropriations in the general fund by \$411,364.

NOTE 6 - DEPOSITS AND INVESTMENTS

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the School District treasury, in commercial accounts

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

payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must be either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or as savings or deposit accounts including, but not limited to, passbook 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 monies must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including 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 or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Governmental National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio); and,
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

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

BEAVER LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
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from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Protection of School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as a 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 money deposited with the institution.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash on Hand

At fiscal year end, the School District had \$95 in undeposited cash on hand which is included on the Combined Balance Sheet of the School District as part of "Equity in Pooled Cash and Cash Equivalents".

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

Deposits

At year end, the carrying amount of the School District's deposits was \$(209,509), and the bank balance was \$10,797. Federal depository insurance covered the entire bank balance.

Investments

The School District's investments are categorized below to give an indication of the level of credit risk assumed by the School District at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the School District's name. STAROhio is not classified by degree of credit risk since it is not evidenced by securities that exist in physical or book entry form.

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	1	Category 2	3	Carrying Value	Market Value
Overnight Repurchase Agreements	\$0	\$0	\$760,735	\$760,735	\$760,735
Money Market Fund	122,849	0	0	122,849	122,849
Subtotal	<u>\$122,849</u>	<u>\$0</u>	<u>\$760,735</u>		
Investment in State Treasurer's Investment Pool				<u>224,241</u>	<u>224,241</u>
Total Investments				<u>\$1,107,825</u>	<u>\$1,107,825</u>

The classification of cash and cash equivalents on the combined financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting". A reconciliation between the classifications of cash and cash equivalents on the combined financial statements and the classification of deposits and investments presented above per GASB Statement No. 3 is as follows:

Cash and Cash Equivalents

	Equivalents/Deposits	Investments
GASB Statement 9	\$898,411	\$0
Investments of the Cash Management Pool:		
Money Market Fund	(122,849)	122,849
Overnight Repurchase Agreements	(760,735)	760,735
STAROHIO	(224,241)	224,241
Cash on Hand	<u>(95)</u>	<u>0</u>
GASB Statement 3	(\$209,509)	\$1,107,825

NOTE 7 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and

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

tangible personal property used in business, which is located in the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. All property is required to be revalued every six years with a triennial update (triennial update was in 1998). The public utility property taxes are assessed on tangible personal property at eighty-eight percent of true value (with certain exceptions) and on real property at thirty-five percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are twenty-five percent of true value. The assessed values upon which the fiscal year 2000 taxes were collected are:

	1999 Second-Half Collections		2000 First Collections Half	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$149,685,160	81.58%	\$150,822,690	85.15%
Public Utility Personal	22,305,440	12.16%	13,359,490	7.54%
Tangible Personal	<u>11,479,850</u>	<u>6.26%</u>	<u>12,941,430</u>	<u>7.31%</u>
Total Assessed Value	<u>\$183,470,450</u>	<u>100.00%</u>	<u>\$177,123,610</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$34.00		\$32.60	

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

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

The School District receives property taxes from Columbiana County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2000 are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent. Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes, which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, the entire

BEAVER LOCAL SCHOOL DISTRICT
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amount measurable is not intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue.

NOTE 8 - RECEIVABLES

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

A summary of the items of intergovernmental receivables follows:

<u>Intergovernmental Receivables</u>	<u>Amounts</u>
General Fund:	
Drivers Education Subsidy	\$5,100
Local Governmental Reimbursements	5,838
Federal Reimbursement	<u>6,073</u>
Total General Fund	<u>17,011</u>
Special Revenue Funds:	
Title VI	9,297
NEH Grant	3,189
FCC E-Rate Federal Reimbursement	<u>1,685</u>
Total Special Revenue Funds	<u>14,171</u>
Grand Total	<u><u>\$31,182</u></u>

NOTE 9 - FIXED ASSETS

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

Furniture and Equipment	\$171,590
Less accumulated depreciation	<u>(99,360)</u>
Net Fixed Assets	<u><u>\$72,230</u></u>

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

	<i>Balance</i> <i>1999</i>	<i>June 30,</i> <i>1999</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance</i> <i>2000</i>	<i>June 30,</i> <i>2000</i>
<i>Land and Buildings</i>		\$4,205,038	\$59,615	\$0		\$4,264,653
<i>Furniture and Equipment</i>		2,094,956	320,290	(59,262)		2,355,984
<i>Vehicles</i>		<u>963,851</u>	<u>122,096</u>	<u>(34,133)</u>		<u>1,051,814</u>
<i>Total</i>		\$7,263,845	\$502,001	(\$93,395)		\$7,672,451

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

NOTE 10- RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2000, the School District had a \$500 deductible per occurrence. The Nationwide Mutual Insurance Company provides liability insurance with a \$5,000,000 aggregate limit.

The Nationwide Mutual Insurance Company with a \$250 deductible also provides fleet insurance collision coverage and a \$1,000,000 combined single limit of liability. Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from last year.

A \$20,000 performance bond is maintained for the Treasurer, Superintendent, and Board President through the Nationwide Mutual Insurance Company.

For fiscal year 2000, the School District participated in the Ohio School Boards Association (OSBA) Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP. The GRP's business and affairs are conducted by a three member Board of Directors, consisting of the President, President-Elect and Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

NOTE 11 - JOINTLY GOVERNED ORGANIZATIONS

Area Cooperative Computerized Education Service System (ACCESS) is a jointly governed organization among Mahoning County Educational Service Center, Columbiana Educational Service Center, Austintown Local School District, Boardman Local School District, East Liverpool City School District, Salem City School District, West Branch Local School District, Beaver Local School District, Poland Local School District, Canfield Local School District, Struthers City School District, Campbell City School District, United Local School District, Springfield Local School District, Jackson-Milton Local School District, South Range Local School District, Columbiana Exempted Village School District, Leetonia Exempted Village School District, Sebring Local School District, Western Reserve Local School District, Mahoning County Joint Vocational School District, Lowellville Local School District, and

BEAVER LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
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Columbiana County Career Center. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. The seven member board of governors consists of the two superintendents and one treasurer from each county (Columbiana and Mahoning). The degree of control exercised by any participating school district is limited to its representation on the board. Mahoning County Educational Service Center is the fiscal agent for ACCESS. The assembly exercises total control over the operation of the consortium including budgeting, appropriating, contracting, and designating management. All the consortium revenues are generated from charges for services and State funding. Financial information can be obtained by writing to: Mahoning County Educational Service Center, Treasurer's Office, 2801 Market St., Room 202, Youngstown, Ohio 44507-1693.

The Columbiana County Career Center is a jointly governed organization to provide for the vocational and special education needs of the students of eight participating school districts. The Board of Education members are appointed by the local boards of education from one of its elected members. The Career Center Board of Education exercises total control over the operations, including budgeting, appropriating, contracting, and designating management. All revenues are generated from tax levies, State funding, and fees. Financial information can be obtained by writing to: Columbiana County Career Center, Treasurer's Office, 9364 State Route 45, Lisbon, Ohio 44432.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

Funding Policy. Plan members are required to contribute 9% of their annual covered salary and the Beaver Local School District is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The School District's contributions for pension obligations to SERS for the fiscal years ending June 30, 2000, 1999, and 1998 were \$108,152, \$113,657, and \$116,554, respectively; 38% has been contributed for fiscal year 2000 and 100% for fiscal years 1999 and 1998. \$138,591, representing the unpaid

BEAVER LOCAL SCHOOL DISTRICT
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contributions for fiscal year 2000, is recorded as a liability within the respective funds and the general long-term obligations account group.

B. State Teachers Retirement System

State Teachers Retirement System of Ohio (STRS) is a cost sharing, multiple employer defined benefit pension plan.

STRS is a statewide retirement plan for certified teachers and other faculty members employed in the public schools of Ohio or any school, college, university, institution, or other agency wholly controlled, managed, and supported in whole, or in part, by the state or any political subdivision thereof. Any member who has (i) five years of service credit and attained age 60, (ii) 25 years of service credit and attained age 55, or (iii) 30 years of service credit regardless of age may retire. The maximum annual retirement allowance, payable for life, is greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit," the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest years' salaries. The annual allowance is calculated by using a base percentage of 2.1% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached.

Under the "money-purchase benefit" calculation, a member's lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

A retiree of STRS or other Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for a money-purchase benefit or a lump-sum payment in addition to the original retirement allowance.

Retirement benefits are annually increased by the greater of the amount of the change in the Consumer Price Index (CPI) or the cumulative CPI increases since retirement, less previous cost-of-living increases, up to a maximum of 3% of the original base benefit. The plan offers comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare premiums.

A member with five or more years' credited service who becomes disabled is entitled to a disability benefit. Survivor benefits are available to eligible spouses and dependents of active members who die before retirement. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member. Additional death benefit coverage of \$1,000 or \$2,000 can be purchased. Various other benefits are available to members' beneficiaries.

BEAVER LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
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Benefits are established and may be amended by Chapter 3307, Revised Code.

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contributions rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 1999 (latest information available), were 9.3% of covered payroll for members and 14% for employers. The School District's contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999 and 1998 were \$378,068, \$358,868 and \$583,952, respectively; 82% has been contributed for fiscal year 2000 and 100% for fiscal years 1999 and 1998. \$157,032, representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds.

STRS issues a stand-alone financial report. Copies of STRS' 1999 Comprehensive Annual Financial Report will be available after January 1, 2000, and can be requested by writing to STRS, 275 E. Broad Street, Columbus, Ohio 43215-3371, or by calling (614) 227-4090.

C. Social Security System

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

NOTE 13 - POSTEMPLOYMENT BENEFITS

State Teachers Retirement System of Ohio (STRS Ohio) provides comprehensive health care benefits to retired teachers and their dependents. Coverage includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Revised Code (R.C.), the State Teachers Retirement Board (the board) has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care in the form of a monthly premium. Health care benefits are financed on a pay-as-you-go basis.

The R.C. grants authority to STRS to provide health care coverage to benefit recipients, spouses, and dependents. By Ohio law, the cost of the coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll.

The Retirement Board allocated employer contributions equal to 2% of covered payroll to the Health Care Reserve Fund from which health care benefits are paid. However, for the fiscal year ended June 30, 1999, the board allocated employer contributions equal to 8.0% of covered payroll to the Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$2.783 billion on June 30, 1999 (the latest information available). The Health Care Reserve Fund allocation for the year ended June 30, 2000, was 8% of covered payroll. For the year ended June

BEAVER LOCAL SCHOOL DISTRICT
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30, 1999 (latest information available), net health care costs paid by STRS were \$249,929,000. There were 95,796 eligible benefit recipients statewide. The portion of the School District's contributions that were used to fund postemployment benefits was \$504,032 during the 2000 fiscal year.

School Employees Retirement System (SERS) provides comprehensive health care benefits to retired non-certificated employees and their dependents.

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

After the allocation for basic benefits, the remainder of the employer's 14% contribution is allocated to providing health care benefits. At June 30, 1999 (latest information available), the allocation rate was 6.30%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 1999, the minimum pay was established at \$12,400. The surcharge, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund.

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 1999 (latest information available) were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999 (the latest information available), the Retirement System's net assets available for payment of health care benefits was \$188.0 million. The number of participants statewide current receiving health care benefits is approximately 51,000. For the School District, the amount to fund health care benefits, including surcharge, equaled \$115,029 during the 2000 fiscal year.

NOTE 14 - OTHER EMPLOYEE BENEFITS

Compensated Absences

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

Each employee earns sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated with no maximum. Upon retirement, payment is made for one-fourth of the total sick leave accumulation, up to a maximum accumulation of eighty days for certified employees, ninety days for administrative/confidential employees, and seventy days for classified employees. An employee receiving such payment must meet the retirement provisions set by STRS or SERS.

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Life and Medical Insurance

The School District provides life insurance and accidental death and dismemberment insurance to its employees. Coverage is \$50,000 per certificated, administration and confidential employees, and \$20,000 for classified employees. Life insurance is provided through the Anthem Life Insurance Company.

The School District has contracted with the Anthem Blue Cross Blue Shield to provide employee medical/surgical benefits under a fully insured plan. The School District pays medical/surgical and prescription premiums of \$458 for family coverage and \$183 for single coverage per employee per month. The prescription plan utilizes a \$12.00 for brand name prescriptions and \$5.00 for generic.

Dental insurance is also provided the by Anthem Blue Cross Blue Shield. Premiums for dental coverage are \$24 for single coverage and \$62 for family coverage per employee per month.

Vision Service Plan provides vision insurance. Premiums for vision coverage are \$6 for single coverage and \$13 for family coverage per employee per month.

NOTE 15 - LONG-TERM OBLIGATIONS

The long-term obligations activity of the School District for the fiscal year ended June 30, 2000, was as follows:

	Outstanding 6/30/1999	Additions	(Reductions)	Outstanding 6/30/2000
Energy Conservation Bonds	\$91,429	\$0	\$(22,857)	\$68,572
Compensated Absences	1,109,837	38,875	(0)	1,148,712
Asbestos Removal Loan	89,724	0	(12,348)	77,376
Intergovernmental Payable	66,164	82,932	(66,164)	82,932
Capital Leases Payable	5,182	400,028	(139,228)	265,982
Grand Total	\$1,362,336	\$521,835	(\$240,597)	\$1,643,574

The asbestos removal loan will be paid from the debt service fund. Capital leases will be paid from the general fund (phone equipment and computer equipment), the miscellaneous federal grants fund, a special revenue fund type (computer equipment), and the schoolnet fund, a capital projects fund type (computer equipment). Compensated absences will be paid from the fund from which the person is paid. Intergovernmental payable represents pension obligations and will be paid from the fund from which the person is paid. Energy conservation bonds will be paid from the debt service fund.

The annual requirements to amortize the asbestos removal loan and the energy conservation bonds, are as follows:

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Fiscal Year	Principal	Interest
2001	35,205	3,600
2002	35,205	2,400
2003	35,205	1,200
2004	12,348	0
2005	12,348	0
Thereafter	15,637	0
Total	\$145,948	\$7,200

The School District's voted legal debt margin was \$15,941,125 with an unvoted debt margin of \$177,124 as of June 30, 2000.

NOTE 16 - CAPITAL LEASES

In prior years, the School District entered into lease agreements as a lessee for financing the acquisition of certain fixed assets (phone equipment) which was accounted for on a GAAP basis as an expenditure with an offset amount reported as an other financing source. In the current year, the School District did enter into two additional lease agreements (computer equipment). Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the general purpose financial statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis. The assets acquired under the lease agreements have been capitalized in the general fixed assets account group in an amount equal to the present value of the future minimum lease payments as of the date of their inception. A corresponding liability was recorded in the general long-term obligations account group.

The following is a schedule of the future minimum lease payments and the present value of the minimum lease payments as of June 30, 2000:

Fiscal Year Ending June 30	Long-Term Obligations
2001	147,837
2002	<u>145,661</u>
Total minimum lease payments	293,498
Less amount representing interest	<u>(27,516)</u>
Present value of minimum lease payments	<u>\$265,892</u>

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
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NOTE 17 - INTERFUND TRANSACTIONS

Interfund balances at June 30, 2000, consist of the following individual fund advances:

Interfund Receivable/Payable:

<i>Fund:</i>	<i>Receivable</i>	<i>Payable</i>
General	\$13,590	\$0
Special Revenue:		
Title VI	0	6,678
NEH Grant	0	2,930
Miscellaneous Federal Grants	<u>0</u>	<u>3,902</u>
Total Special Revenue	<u>0</u>	<u>13,510</u>
Agency:		
Student Managed Activities	0	79
Grand Total	\$13,590	\$13,590

NOTE 18- CONTINGENCIES

A. Grants:

The School District receives financial assistance from federal and state 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 general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2000.

B. Litigation:

The Beaver Local School District is not currently a party to any legal proceedings.

NOTE 19 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

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

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

	Food Service	Uniform School Supplies	Total Enterprise Funds
Operating Revenues	\$345,221	\$15,081	\$360,302
Operating Expenses			
Before Depreciation	756,347	17,120	773,467
Depreciation	1,480	0	1,480
Operating (Loss)	(412,606)	(2,039)	(414,645)
Donated Commodities	56,124	0	56,124
Operating Grants	255,982	0	255,982
Operating Transfers In	61,975	0	61,975
Interest	602	0	602
Net (Loss)	(37,923)	(2,039)	(39,962)
Net Working Capital	(62,971)	1,496	(61,475)
Total Assets	90,765	1,496	92,261
Total Liabilities	81,506	0	81,506
Total Equity	9,259	1,496	10,755
Encumbrances at			
June 30, 2000	0	0	0

NOTE 20 – STATE SCHOOL FUNDING DECISION

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to this School District. During the fiscal year ended June 30, 2000, the School District received \$6,441,020 of school foundation support for its general fund, and \$6,534,951 in total (all funds) support.

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

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

formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

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

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

NOTE 21 – STATUTORY RESERVES

The Beaver Local School District is required by State statute to annually set aside an amount based on prior year revenues for the purchase of textbooks and other instructional materials and an additional amount for capital improvements. Amounts not spent by year-end or offset by similarly restricted resources must be held in cash at year-end and carried forward to be used for the same purpose in future years. Amounts are also to be set aside for budget stabilization reserve if the Beaver Local School District's base amount used for the yearly set-aside calculation increases three percent or more from the prior year. This amount is to be included in the budget stabilization reserve.

The following information describes the changes in the amounts set-aside for budget stabilization, textbooks and instructional materials, and capital improvements from the end of the prior year to the end of the current year.

	Budget Stabilization	Textbook/ Instructional	Capital Improvements
The balance of the set-aside carried forward from the prior year	\$61,389	\$0	\$0
Current fiscal year set-aside requirement	88,830	264,872	264,872
Bureau of Workers' Compensation Refund	577	0	0
Qualifying expenditures during the fiscal year	0	(582,295)	(741,573)
Offsets for the fiscal year	0	(0)	(103,575)
Set-aside cash balance as of June 30, 2000	<u>\$150,796</u>	<u>(\$317,423)</u>	<u>(\$580,276)</u>
The balance of the set-aside carried forward to the next fiscal year total	<u>\$150,796</u>	<u>\$(317,423)</u>	<u>\$0</u>

Since the qualifying expenditures and offsets for the capital improvements set-aside exceeded the fiscal year 2000 requirement, no amount will be carried forward to the next fiscal year. The District may use the negative amount in the textbook/instructional materials set-aside to reduce set-aside requirements of future years.

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

Board of Education
Beaver Local School District
13093 State Route 7
Lisbon, Ohio 44432

We have audited the general purpose financial statements of the Beaver Local School District, as of and for the year ended June 30, 2000, and have issued our report thereon dated January 10, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of general purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated January 10, 2001.

Internal Control Over Financial Reporting

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

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

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



GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

January 10, 2001

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

Board of Education
Beaver Local School District
13093 State Route 7
Lisbon, Ohio 44432

Compliance

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

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

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

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

Internal Control Over Compliance

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

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

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



GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

January 10, 2001

Beaver Local School District
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2000

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Identifying Entity Number	Receipts	Disbursements
<u>U.S. Department of Agriculture</u>				
<i>Passed Through Ohio Department of Education:</i>				
Child Nutrition Cluster:				
Food Distribution	10.550	---	\$54,796	\$56,124
School Breakfast Program	10.553	---	48,161	48,161
National School Lunch Program	10.555	---	228,825	228,825
Total U.S. Department of Agriculture - Child Nutrition Cluster			<u>331,782</u>	<u>333,110</u>
<u>National Foundation on the Arts and the Humanities</u>				
Promotion of the Humanities - Education Development and Demonstration	45.162	ED-21563-99	18,119	21,048
Total National Foundation on the Arts and the Humanities			<u>18,119</u>	<u>21,048</u>
<u>U.S. Department of Defense</u>				
Marine Corps JROTC Program	12.xxx	M67013-00-M-J1001	37,888	37,888
Total U.S. Department of Defense			<u>37,888</u>	<u>37,888</u>
<u>U.S. Department of Education</u>				
<i>Passed Through Ohio Department of Education:</i>				
Eisenhower Professional Development State Grants	84.281	046425-MS-S1-2000	11,740	4,117
Eisenhower Professional Development State Grants	84.281	046425-MS-S1-1998C	0	993
Total Eisenhower			<u>11,740</u>	<u>5,110</u>
Innovative Education Program Strategies (ESEA Title VI)	84.298	046425-C2-S1-2000	3,369	10,046
Title I Grants to Local Educational Agencies	84.010	046425-C1-S1-2000	439,038	375,727
Title I Grants to Local Educational Agencies	84.010	046425-C1-SD-2000	18,600	9,742
Title I Grants to Local Educational Agencies	84.010	046425-C1-S1-1999C	13,242	12,994
Title I Grants to Local Educational Agencies	84.010	046425-C1-S1-1999	40,781	73,436
Title I Grants to Local Educational Agencies	84.010	046425-C1-SD-1999	0	3,184
Title I Grants to Local Educational Agencies	84.010	046425-C1-SD-1998C	0	3,464
Title I Grants to Local Educational Agencies	84.010	046425-C1-SD-1998	0	1,263
Total Title I			<u>511,661</u>	<u>479,810</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186	046425-DR-S1-2000	10,266	10,266
Technology Literacy Challenge Fund Grants (Raising the Bar)	84.318	046425-TF-24-2000P	37,500	34,234
Technology Literacy Challenge Fund Grants (Raising the Bar)	84.318	046425-TF-25-2000P	25,000	1,952
Technology Literacy Challenge Fund Grants (Raising the Bar)	84.318	046425-TF-S2-1999P	0	103,407
Total Raising the Bar			<u>62,500</u>	<u>139,593</u>
Goals 2000 - State and Local Educational Systemic Improvement Grants (Continuous Improvement Development Grant)	84.276	046425-G2-S2-1999	0	7,325
Class Size Reduction (Title VI-R)	84.340	046425-CR-S1-2000	33,372	32,341
Total U.S. Department of Education			<u>632,908</u>	<u>684,491</u>
Total Federal Assistance			<u>\$1,020,697</u>	<u>\$1,076,537</u>

BEAVER LOCAL SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting. The information in the schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2000, the District had no significant food commodities in inventory.

BEAVER LOCAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §505

FOR THE FISCAL YEAR ENDED JUNE 30, 2000

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of auditor's report issued on the general purpose financial statements	Unqualified Opinion
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the general purpose financial statement level?	No
(d)(1)(ii)	Were there any other reportable conditions in internal control reported at the general purpose financial statement level?	No
(d)(1)(iii)	Was there any material noncompliance reported at the general purpose financial statement level?	No
(d)(1)(iv)	Were there any material weaknesses in internal control over major programs reported?	No
(d)(1)(iv)	Were there any other reportable conditions in internal control over major programs reported?	No
(d)(1)(v)	Type of auditor's report issued on compliance for major programs	Unqualified Opinion
(d)(1)(vi)	Were there any reportable audit findings under §510?	No

BEAVER LOCAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §505

FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(CONTINUED)

(d)(1)(vii)	Major Program:	Title I Grants to Local Educational Agencies, CFDA #84.010
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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BEAVER LOCAL SCHOOL DISTRICT

COLUMBIANA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 15, 2001**