

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Board of Education
Bath Local School District
Allen County, Ohio

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

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

JIM PETRO
Auditor of State

February 13, 2001

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BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

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BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

ELECTED OFFICIALS

June 30, 2000

<u>Name</u>	<u>Title</u>	<u>Term of Office</u>
<u>Board of Education</u>		
Robert Tomlinson	President	1/1/00 - 12/31/03
Dennis Pierson	Vice President	1/1/98 - 12/31/01
Jeff Dackin	Member	1/1/00 - 12/31/03
Brent Garver	Member	1/1/00 - 12/31/03
Mark Krohn	Member	1/1/98 - 12/31/01
<u>Statutory Legal Counsel</u>		
David Bowers Prosecuting Attorney		

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

ADMINISTRATIVE PERSONNEL

June 30, 2000

<u>Title</u>	<u>Contract Period</u>	<u>Surety</u>	<u>Amount</u>	<u>Period</u>
<u>Treasurer</u>				
Annette Morman	1/1/00 - 12/31/01	(A)	20,000	1/1/00 - 12/31/01
<u>Superintendent</u>				
Paul W. Assenheimer	8/1/98 - 7/31/01			
<u>Retained Legal Counsel</u>				
Scott, Scriven, Wahoff Counselors at Law				

(A) The Cincinnati Insurance Company

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

INDEX OF FUNDS

Governmental Fund Types:

General Fund Type:

General Fund

Special Revenue Fund Types:

Principal's Fund

School Managed Activity Funds

Development Block Grant Fund

Education Management Information System Fund

Miscellaneous State Grants

Liability – Self Insurance Fund

Title VI-B - Education of the Handicapped Act Fund

Title I - Special Education Needs of Disadvantaged Children Fund

Title VI - Consolidated of Federal Programs for Elementary and
Secondary Education Fund

Drug Free School Fund

Capital Projects Fund Types:

Permanent Improvement Fund

School Net Fund

Debt Service Fund Types:

Bond Retirement Fund

Proprietary Fund Types:

Enterprise Fund Types:

Food Services Fund

Uniform School Supplies Fund

Internal Service Fund Type:

Rotary Fund

Fiduciary Fund Types:

Trust Fund Types:

Expendable Trust Fund:

Special Trust Funds

Agency Fund Type:

Student Managed Activity Funds



E.S. Evans and Company

Certified Public Accountants and Consultants

205 West Elm Street • Lima, Ohio 45801 • Phone: (419) 223-3075
P.O. Box 298 • Lima, Ohio 45802 • Fax: (419) 222-8507 • E-mail: askus@esevans.com

Robert E. Wendel, CPA • Dan F. Clifford, CPA • E.S. Evans, CPA, PFS (1930-1999)

December 20, 2000

INDEPENDENT AUDITOR'S REPORT

Board of Education
Bath Local School District and
Allen County, Ohio

Auditor of State of Ohio
Columbus, Ohio

We have audited the accompanying general purpose financial statements of the Bath Local School District as of and for the year ended June 30, 2000. 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 Bath Local School District, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated December 20, 2000 on our consideration of Bath Local School 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.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of Bath Local School District, Allen County, Ohio taken as a whole. The accompanying Schedule of Federal Awards Expenditures 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.

E.S. Evans and Company

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 2000

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Assets and Other Debits			
Equity in Pooled Cash and Cash Equivalents	\$ 884,532	\$ 256,196	\$ 510,655
Restricted Cash	211,993	-	-
Receivables -			
Taxes	7,517,638	-	830,467
Accounts	156	610	-
Intergovernmental	27,632	6,394	-
Accrued Interest	4,162	172	850
Due From Other Funds	5,834	-	-
Prepaid Items	20,659	-	-
Inventory	15,201	-	-
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	-	-	-
Amount to be Provided for:			
Retirement of General Obligation Bonds	-	-	-
Retirement of General Long-Term Debt	-	-	-
Total Assets and Other Debits	\$ 8,687,807	\$ 263,372	\$ 1,341,972
Liabilities, Fund Equity and Other Credits			
<u>Liabilities:</u>			
Accounts Payable	\$ 154,374	\$ 7,773	\$ 140,479
Accrued Salaries and Benefits	1,191,412	44,135	-
Due to Other Funds	-	2,500	28,334
Due to Students	-	-	-
Compensated Absences Payable	17,006	-	-
Intergovernmental Payable	216,702	14,543	-
Deferred Revenue	6,981,523	-	830,467
Sewer Line Assessment Payable	-	-	-
Energy Conservation Loan Payable	-	-	-
Asbestos Removal Loan Payable	-	-	-
Total Liabilities	8,561,017	68,951	999,280
<u>Fund Equity and Other Credits:</u>			
Investment in General Fixed Assets	-	-	-
Retained Earnings -			
Contributed Capital	-	-	-
Unreserved	-	-	-
Fund Balance -			
Reserved for Encumbrances	86,580	24,681	216,420
Reserved for Inventory	15,201	-	-
Reserved for Prepaid Items	20,659	-	-
Reserved for Property Taxes	536,115	-	-
Reserved for Budget Stabilization	211,993	-	-
Unreserved Fund Balance	(743,758)	169,740	126,272
Total Fund Equity and Other Credits	126,790	194,421	342,692
Total Liabilities, Fund Equity & Other Credits	\$ 8,687,807	\$ 263,372	\$ 1,341,972

The accompanying notes are an integral part of these financial statements.

Governmental Fund Types	Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	
\$ 3,418	\$ 197,354	\$ 4,140	\$ 41,853	\$ -	\$ -	\$ 1,898,148
-	-	-	-	-	-	211,993
-	-	-	-	-	-	8,348,105
-	-	-	97	-	-	863
-	-	-	-	-	-	34,026
-	166	-	59	-	-	5,409
-	25,000	-	-	-	-	30,834
-	-	-	-	-	-	20,659
-	30,284	-	-	-	-	45,485
-	49,626	-	-	16,509,890	-	16,559,516
-	-	-	-	-	3,418	3,418
-	-	-	-	-	2,261,548	2,261,548
<u>\$ 3,418</u>	<u>\$ 302,430</u>	<u>\$ 4,140</u>	<u>\$ 42,009</u>	<u>\$ 16,509,890</u>	<u>\$ 2,264,966</u>	<u>\$ 29,420,004</u>
\$ -	\$ 13,082	\$ -	\$ 119	\$ -	\$ -	\$ 315,827
-	60,821	-	-	-	-	1,296,368
-	-	-	-	-	-	30,834
-	-	-	11,576	-	-	11,576
-	26,806	-	-	-	1,077,093	1,120,905
-	22,457	-	62	-	105,215	358,979
-	7,867	-	-	-	-	7,819,857
-	-	-	-	-	487,285	487,285
-	-	-	-	-	498,000	498,000
-	-	-	-	-	97,373	97,373
-	131,033	-	11,757	-	2,264,966	12,037,004
-	-	-	-	16,509,890	-	16,509,890
-	141,599	-	-	-	-	141,599
-	29,798	4,140	-	-	-	33,938
-	-	-	1	-	-	327,682
-	-	-	-	-	-	15,201
-	-	-	-	-	-	20,659
-	-	-	-	-	-	536,115
-	-	-	-	-	-	211,993
3,418	-	-	30,251	-	-	(414,077)
<u>3,418</u>	<u>171,397</u>	<u>4,140</u>	<u>30,252</u>	<u>16,509,890</u>	<u>-</u>	<u>17,383,000</u>
<u>\$ 3,418</u>	<u>\$ 302,430</u>	<u>\$ 4,140</u>	<u>\$ 42,009</u>	<u>\$ 16,509,890</u>	<u>\$ 2,264,966</u>	<u>\$ 29,420,004</u>

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES AND SIMILAR TRUST FUNDS

For the Year Ended June 30, 2000

	Governmental Fund Types	
	General	Special Revenue
<u>Revenues:</u>		
Taxes	\$ 6,564,338	\$ -
Tuition and Fees	129,308	1,100
Intergovernmental	2,365,089	409,162
Interest	181,330	7,508
Extracurricular Activities	-	158,263
Sales/Fundraising	-	60,506
Gifts and Donations	-	-
Miscellaneous	32,266	580
Total Revenues	9,272,331	637,119
<u>Expenditures:</u>		
Current -		
Instruction -		
Regular	5,686,449	86,403
Special	441,329	181,693
Vocational	238,167	-
Other	236,195	-
Support Services -		
Pupils	565,744	6,927
Instruction	209,401	82,699
Board of Education	18,438	-
Administration	949,866	69,537
Fiscal	416,085	-
Business	109,016	-
Operation and Maintenance	1,117,220	-
Transportation	648,323	3,936
Central	65,569	1,555
Non-Instructional Services	-	-
Extracurricular Activities	267,336	214,847
Capital Outlay	-	-
Debt Service - Principal Retirement	-	-
Debt Service - Interest & Fiscal Charges	-	-
Total Expenditures	10,969,138	647,597
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,696,807)	(10,478)

The accompanying notes are an integral part of these financial statements.

(continued)

Governmental Fund Types		Fiduciary Fund Type	Totals
Capital Projects	Debt Service	Expendable Trust	(Memorandum Only)
\$ 863,222	\$ -	\$ -	\$ 7,427,560
-	-	-	130,408
49,792	-	6,290	2,830,333
43,761	-	1,821	234,420
-	-	-	158,263
-	-	7,893	68,399
-	-	3,972	3,972
-	-	1,649	34,495
<u>956,775</u>	<u>-</u>	<u>21,625</u>	<u>10,887,850</u>
322,116	-	13,019	6,107,987
-	-	-	623,022
-	-	-	238,167
-	-	-	236,195
-	-	-	572,671
-	-	559	292,659
-	-	-	18,438
-	-	-	1,019,403
15,510	-	-	431,595
-	-	-	109,016
262,095	-	-	1,379,315
20,275	-	5,274	677,808
55,850	-	-	122,974
-	-	49	49
-	-	-	482,183
93,070	-	-	93,070
-	149,070	-	149,070
-	28,010	-	28,010
<u>768,916</u>	<u>177,080</u>	<u>18,901</u>	<u>12,581,632</u>
<u>187,859</u>	<u>(177,080)</u>	<u>2,724</u>	<u>(1,693,782)</u>

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES AND SIMILAR TRUST FUNDS

For the Year Ended June 30, 2000

	Governmental Fund Types	
	General	Special Revenue
<u>Other Financing Sources (Uses):</u>		
Operating Transfers In	\$ 219,426	\$ 10,000
Operating Transfers Out	(229,426)	-
Total Other Financing Sources (Uses)	(10,000)	10,000
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,706,807)	(478)
Fund Balances (Deficits) at Beginning of Year	1,833,597	194,899
Fund Balances (Deficits) at End of Year	\$ 126,790	\$ 194,421

The accompanying notes are an integral part of these financial statements.

(concluded)

Governmental Fund Types		Fiduciary Fund Type	Totals
Capital Projects	Debt Service	Expendable Trust	(Memorandum Only)
\$ 158,010	\$ 177,080	-	\$ 564,516
(335,090)	-	-	(564,516)
(177,080)	177,080	-	-
10,779	-	2,724	(1,693,782)
331,913	3,418	27,527	2,391,354
<u>\$ 342,692</u>	<u>\$ 3,418</u>	<u>30,251</u>	<u>\$ 697,572</u>

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND
ACTUAL - ALL GOVERNMENTAL FUNDS TYPES AND SIMILAR TRUST FUNDS

For the Year Ended June 30, 2000

	Governmental Fund Types		
	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ 7,586,581	\$ 7,678,952	\$ 92,371
Tuition and Fees	25,000	110,169	85,169
Intergovernmental	2,462,104	2,364,638	(97,466)
Interest	178,750	177,168	(1,582)
Sales/Fundraising	-	-	-
Extracurricular Activities	-	-	-
Gifts and Donations	-	-	-
Miscellaneous	3,845	5,518	1,673
Total Revenues	<u>10,256,280</u>	<u>10,336,445</u>	<u>80,165</u>
<u>Expenditures:</u>			
Current -			
Instruction -			
Regular	5,753,862	5,665,234	88,628
Special	434,583	433,593	990
Vocational	249,864	247,458	2,406
Other	235,807	235,615	192
Support Services -			
Pupils	575,150	557,761	17,389
Instruction	238,075	227,517	10,558
Board of Education	26,724	21,559	5,165
Administration	1,037,410	967,958	69,452
Fiscal	480,860	417,739	63,121
Business	116,342	109,270	7,072
Operation and Maintenance	1,162,948	1,127,566	35,382
Transportation	719,654	625,194	94,460
Central Services	65,131	64,099	1,032
Extracurricular Activities	306,716	266,951	39,765
Capital Outlay	-	-	-
Repayment of Debt	-	-	-
Total Expenditures	<u>11,403,126</u>	<u>10,967,514</u>	<u>435,612</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,146,846)</u>	<u>(631,069)</u>	<u>515,777</u>

The accompanying notes are an integral part of these financial statements.

(continued)

Governmental Fund Types

Special Revenue Funds			Capital Projects Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 893,381	\$ 863,222	\$ (30,159)
2,000	1,100	(900)	-	-	-
495,000	415,362	(79,638)	200,000	49,792	(150,208)
8,000	7,336	(664)	106,840	42,911	(63,929)
65,000	60,506	(4,494)	-	-	-
166,741	158,233	(8,508)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>736,741</u>	<u>642,537</u>	<u>(94,204)</u>	<u>1,200,221</u>	<u>955,925</u>	<u>(244,296)</u>
132,483	97,977	34,506	395,492	361,059	34,433
235,927	182,812	53,115	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,250	6,927	2,323	-	-	-
110,995	72,768	38,227	-	-	-
-	-	-	-	-	-
97,842	68,924	28,918	-	-	-
595	-	595	15,588	15,511	77
495	-	495	-	-	-
266	-	266	393,220	388,023	5,197
9,630	3,369	6,261	76,125	76,125	-
1,552	1,552	-	-	-	-
284,787	231,056	53,731	-	-	-
-	-	-	261,633	261,052	581
-	-	-	246,722	177,080	69,642
<u>883,822</u>	<u>665,385</u>	<u>218,437</u>	<u>1,388,780</u>	<u>1,278,850</u>	<u>109,930</u>
<u>(147,081)</u>	<u>(22,848)</u>	<u>124,233</u>	<u>(188,559)</u>	<u>(322,925)</u>	<u>(134,366)</u>

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND
ACTUAL - ALL GOVERNMENTAL FUNDS TYPES AND SIMILAR TRUST FUNDS

For the Year Ended June 30, 2000

	Governmental Fund Types General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	\$ 91,892	\$ 219,426	\$ 127,534
Proceeds from Sale of Fixed Assets	800	-	(800)
Refund of Prior Year Expenditures	17,000	26,748	9,748
Advances In	28,333	28,333	-
Operating Transfers Out	(45,000)	(229,426)	(184,426)
Refund of Prior Year Receipts	-	-	-
Advances Out	(20,000)	(2,500)	17,500
Total Other Financing Sources (Uses)	73,025	42,581	(30,444)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,073,821)	(588,488)	485,333
Prior Year Encumbrances Appropriated	403,455	403,455	-
Fund Balances (Deficit) at Beginning of Year	1,041,467	1,041,467	-
Fund Balances (Deficit) at End of Year	\$ 371,101	\$ 856,434	\$ 485,333

The accompanying notes are an integral part of these financial statements.

(continued)

Governmental Fund Types

Special Revenue Funds			Capital Projects Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ 10,000	\$ 10,000	\$ -	\$ 158,010	\$ 158,010
-	-	-	-	-	-
-	-	-	-	-	-
-	79,500	79,500	-	-	-
-	-	-	(145,617)	(158,010)	(12,393)
-	-	-	-	(28,333)	(28,333)
-	(77,000)	(77,000)	-	-	-
-	12,500	12,500	(145,617)	(28,333)	117,284
(147,081)	(10,348)	136,733	(334,176)	(351,258)	(17,082)
34,692	34,692	-	340,150	340,150	-
199,748	199,748	-	164,862	164,862	-
<u>\$ 87,359</u>	<u>\$ 224,092</u>	<u>\$ 136,733</u>	<u>\$ 170,836</u>	<u>\$ 153,754</u>	<u>\$ (17,082)</u>

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND
ACTUAL - ALL GOVERNMENTAL FUNDS TYPES AND SIMILAR TRUST FUNDS

For the Year Ended June 30, 2000

	Governmental Fund Types Debt Service Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ -	\$ -	\$ -
Tuition and Fees	-	-	-
Intergovernmental	-	-	-
Interest	-	-	-
Sales/Fundraising	-	-	-
Extracurricular Activities	-	-	-
Gifts and Donations	-	-	-
Miscellaneous	-	-	-
Total Revenues	-	-	-
<u>Expenditures:</u>			
Current -			
Instruction -			
Regular	-	-	-
Special	-	-	-
Vocational	-	-	-
Other	-	-	-
Support Services -			
Pupils	-	-	-
Instruction	-	-	-
Board of Education	-	-	-
Administration	-	-	-
Business	-	-	-
Fiscal	-	-	-
Operation and Maintenance	-	-	-
Transportation	-	-	-
Central Services	-	-	-
Extracurricular Activities	-	-	-
Capital Outlay	-	-	-
Repayment of Debt	-	-	-
Total Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-

The accompanying notes are an integral part of these financial statements.

(continued)

Fiduciary Fund Types Expendable Trust Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 8,479,962	\$ 8,542,174	\$ 62,212
-	-	-	27,000	111,269	84,269
18,000	6,290	(11,710)	3,175,104	2,836,082	(339,022)
6,000	1,779	(4,221)	299,590	229,194	(70,396)
24,000	7,893	(16,107)	89,000	68,399	(20,601)
-	-	-	166,741	158,233	(8,508)
12,000	3,972	(8,028)	12,000	3,972	(8,028)
5,913	1,649	(4,264)	9,758	7,167	(2,591)
<u>65,913</u>	<u>21,583</u>	<u>(44,330)</u>	<u>12,259,155</u>	<u>11,956,490</u>	<u>(302,665)</u>
26,034	13,015	13,019	6,307,871	6,137,285	170,586
-	-	-	670,510	616,405	54,105
-	-	-	249,864	247,458	2,406
-	-	-	235,807	235,615	192
-	-	-	584,400	564,688	19,712
6,000	559	5,441	355,070	300,844	54,226
-	-	-	26,724	21,559	5,165
-	-	-	1,135,252	1,036,882	98,370
-	-	-	497,043	433,250	63,793
-	-	-	116,837	109,270	7,567
-	-	-	1,556,434	1,515,589	40,845
-	-	-	805,409	704,688	100,721
7,450	5,324	2,126	74,133	70,975	3,158
-	-	-	591,503	498,007	93,496
-	-	-	261,633	261,052	581
-	-	-	246,722	177,080	69,642
<u>39,484</u>	<u>18,898</u>	<u>(20,586)</u>	<u>13,715,212</u>	<u>12,930,647</u>	<u>784,565</u>
<u>26,429</u>	<u>2,685</u>	<u>(23,744)</u>	<u>(1,456,057)</u>	<u>(974,157)</u>	<u>481,900</u>

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND
ACTUAL - ALL GOVERNMENTAL FUNDS TYPES AND SIMILAR TRUST FUNDS**

For the Year Ended June 30, 2000

	Governmental Fund Types Debt Service Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	\$ -	\$ -	\$ -
Proceeds from Sale of Fixed Assets	-	-	-
Refund of Prior Year Expenditures	-	-	-
Advances In	-	-	-
Operating Transfers Out	-	-	-
Refund of Prior Year Receipts	-	-	-
Advances Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balances (Deficit) at Beginning of Year	3,418	3,418	-
Fund Balances (Deficit) at End of Year	\$ 3,418	\$ 3,418	\$ -

The accompanying notes are an integral part of these financial statements.

(concluded)

Fiduciary Fund Types Expendable Trust Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 91,892	\$ 387,436	\$ 295,544
-	-	-	800	-	(800)
-	-	-	17,000	26,748	9,748
-	-	-	28,333	107,833	79,500
-	-	-	(190,617)	(387,436)	(196,819)
-	-	-	-	(28,333)	(28,333)
-	-	-	(20,000)	(79,500)	(59,500)
-	-	-	(72,592)	26,748	99,340
26,429	2,685	-	(1,528,649)	(947,409)	581,240
-	-	-	778,297	778,297	-
27,527	27,527	-	1,437,022	1,437,022	-
<u>\$ 53,956</u>	<u>\$ 30,212</u>	<u>\$ -</u>	<u>\$ 686,670</u>	<u>\$ 1,267,910</u>	<u>\$ 581,240</u>

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BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS - ALL PROPRIETARY
FUND TYPES AND SIMILAR FIDUCIARY FUNDS

For the Year Ended June 30, 2000

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
<u>Operating Revenues:</u>			
Sales	\$ 548,517	\$ 5,632	\$ 554,149
Contributions and Donations	-	4,139	4,139
Total Operating Revenues	548,517	9,771	558,288
<u>Operating Expenses:</u>			
Salaries	293,624	-	293,624
Fringe Benefits	121,055	-	121,055
Purchased Services	22,612	-	22,612
Materials and Supplies	331,600	5,632	337,232
Cost of Sales	54,906	-	54,906
Depreciation	7,678	-	7,678
Total Operating Expenses	831,475	5,632	837,107
Operating Income (Loss)	(282,958)	4,139	(278,819)
<u>Non-Operating Revenues (Expenses):</u>			
Interest/Unrealized Gains	7,225	-	7,225
Operating Grants	139,162	-	139,162
Federal Donated Commodities	61,108	-	61,108
Total Non-Operating Revenues and (Expenses)	207,495	-	207,495
Net Income (Loss)	(75,463)	4,139	(71,324)
Retained Earnings/Fund Balance (Deficit) at Beginning of Year	246,860	1	246,861
Retained Earnings/Fund Balance (Deficit) at End of Year	\$ 171,397	\$ 4,140	\$ 175,537

The accompanying notes are an integral part of these financial statements.

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET (NON-GAAP BASIS) AND ACTUAL -
ALL PROPRIETARY FUND TYPES AND SIMILAR FIDUCIARY FUNDS

For the Year Ended June 30, 2000

	Proprietary Fund Types Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$ 527,131	\$ 547,310	\$ 20,179
Federal and State Subsidies	150,000	160,803	10,803
Interest	7,000	7,059	59
Contributions and Donations	-	-	-
Total Revenues	684,131	715,172	31,041
<u>Expenditures:</u>			
Salaries	261,885	252,027	9,858
Fringe Benefits	133,941	127,107	6,834
Purchased Services	24,150	23,612	538
Materials and Supplies	357,081	354,389	2,692
Miscellaneous	100	-	100
Capital Outlay	31,900	7,642	24,258
Total Expenditures	809,057	764,777	44,280
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(124,926)	(49,605)	75,321
<u>Other Financing Sources (Uses):</u>			
Refund of Prior Year Expenditure	-	1,207	1,207
Total Other Financing Sources (Uses)	-	1,207	1,207
Excess (Deficiency) of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(124,926)	(48,398)	76,528
Prior Year Encumbrances Appropriated	42,227	42,227	-
Fund Equity (Deficit) Beginning of Year	163,492	163,492	-
Fund Equity (Deficit) End of Year	\$ 80,793	\$ 157,321	\$ 76,528

The accompanying notes are an integral part of these financial statements.

Proprietary Fund Types Internal Service Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 5,461	\$ 5,632	\$ 171	\$ 532,592	\$ 552,942	\$ 20,350
-	-	-	150,000	160,803	10,803
-	-	-	7,000	7,059	59
4,039	4,139	100	4,039	4,139	100
<u>9,500</u>	<u>9,771</u>	<u>271</u>	<u>693,631</u>	<u>724,943</u>	<u>31,312</u>
-	-	-	261,885	252,027	9,858
-	-	-	133,941	127,107	6,834
-	-	-	24,150	23,612	538
5,670	5,632	38	362,751	360,021	2,730
-	-	-	100	-	100
-	-	-	31,900	7,642	24,258
<u>5,670</u>	<u>5,632</u>	<u>38</u>	<u>814,727</u>	<u>770,409</u>	<u>44,318</u>
<u>3,830</u>	<u>4,139</u>	<u>309</u>	<u>(121,096)</u>	<u>(45,466)</u>	<u>75,630</u>
-	-	-	-	1,207	1,207
-	-	-	-	1,207	1,207
3,830	4,139	309	(121,096)	(44,259)	76,837
-	-	-	42,227	42,227	-
-	-	-	163,492	163,492	-
<u>\$ 3,830</u>	<u>\$ 4,139</u>	<u>\$ 309</u>	<u>\$ 84,623</u>	<u>\$ 161,460</u>	<u>\$ 76,837</u>

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

COMBINED STATEMENT OF CASH FLOWS - ALL
PROPRIETARY FUND TYPES AND SIMILAR FIDUCIARY FUNDS

For the Year Ended June 30, 2000

	<u>Proprietary Fund Types</u>	
	<u>Enterprise</u>	<u>Internal Service</u>
Increase (Decrease) in Cash and Cash Equivalents		
<u>Cash Flows from Operating Activities:</u>		
Cash Received from Customers	\$ 548,517	\$ 9,771
Cash Payments to Suppliers for Goods and Services	(341,130)	(5,632)
Cash Payments to Employees for Services	(252,027)	-
Cash Payments for Employee Benefits	<u>(127,107)</u>	<u>-</u>
Net Cash Provided by (Used for) Operating Activities	<u>(171,747)</u>	<u>4,139</u>
<u>Cash Flows from Noncapital Financing Activities:</u>		
Operating Grants Received	<u>160,803</u>	<u>-</u>
Net Cash Provided by (Used for) Noncapital Investing Activities	<u>160,803</u>	<u>-</u>
<u>Cash Flows from Capital Financing Activities:</u>		
Acquisition of Capital Assets	<u>(4,480)</u>	<u>-</u>
<u>Cash Flows from Investing Activities:</u>		
Interest/Unrealized Gains	<u>7,059</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(8,365)	4,139
Cash and Cash Equivalents at Beginning of Year	<u>205,719</u>	<u>1</u>
Cash and Cash Equivalents at End of Year	<u>\$ 197,354</u>	<u>\$ 4,140</u>

The accompanying notes are an integral part of these financial statements.

(continued)

Totals
(Memorandum
Only)

\$ 558,288
(346,762)
(252,027)

(127,107)

(167,608)

160,803

160,803

(4,480)

7,059

(4,226)

205,720

\$ 201,494

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

COMBINED STATEMENT OF CASH FLOWS - ALL
PROPRIETARY FUND TYPES AND SIMILAR FIDUCIARY FUNDS

For the Year Ended June 30, 2000

	<u>Proprietary Fund Types</u>	
	<u>Enterprise</u>	<u>Internal Service</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Operating Income (Loss)	\$ <u>(282,958)</u>	\$ <u>4,139</u>
Adjustments to Reconcile Operating Income (Loss) to <u>Net Cash Provided by (Used for) Operating Activities:</u>		
Depreciation	7,678	-
Donated Commodities Used During Year	61,108	-
Changes in Assets and Liabilities -		
(Increase)/Decrease in Commodities Inventory	(6,550)	-
Increase/(Decrease) in Accounts Payable	7,030	-
Increase/(Decrease) in Accrued Salaries and Benefits	21,122	-
Increase/(Decrease) in Compensated Absences Payable	7,188	-
Increase/(Decrease) in Intergovernmental Payable	13,287	-
Increase/(Decrease) in Deferred Revenue	<u>348</u>	<u>-</u>
Total Adjustments	<u>111,211</u>	<u>-</u>
Net Cash Provided by (Used for) Operating Activities	\$ <u><u>(171,747)</u></u>	\$ <u><u>4,139</u></u>

The accompanying notes are an integral part of these financial statements.

(concluded)

Totals
(Memorandum
Only)

\$ (278,819)

7,678

61,108

(6,550)

7,030

21,122

7,188

13,287

348

111,211

\$ (167,608)

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note A - Description of the School District and Reporting Entity

Description of the School

Bath Local School District is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally elected, five-member Board. The School District provides educational services as authorized by its charter or further mandated by state and/or federal agencies. The Board controls the Local School District staffed by 135 certified teaching personnel and 85 non-certified support personnel to provide services to 2,101 students.

The School District is located in Allen County, and includes the Village of Cairo and portions of Monroe and Bath Townships.

Reporting Entity

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure 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 Bath Local School District, this includes general operations, food service, 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 the School District approves the budget, the issuance of debt, or the levying of taxes. There are no component units of the Bath Local School District.

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note A - Description of the School District and Reporting Entity (continued)

Reporting Entity (continued)

The following activities are included within the reporting entity:

The School District is associated with the Northwest Ohio Area Computer Services Cooperative, which is a joint venture, and the Apollo Joint Vocational School, which is a joint governed organization. Information about these organizations is presented in notes M and N to the general purpose financial statements.

Excluded from the reporting entity:

Bath Local Education Foundation is a nonprofit association established to operate exclusively for charitable scientific educational and literacy purposes to promote excellence at Bath Local Schools. The District cannot abolish the organization, nor is it financially accountable to the foundation.

Note B - Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Bath 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 School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

Basis of Presentation - Fund Accounting

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

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note B - Summary of Significant Accounting Policies (continued)

Basis of Presentation - Fund Accounting (continued)

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

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

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

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

Capital Projects Funds - 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 or trust funds).

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note B - Summary of Significant Accounting Policies (continued)

Proprietary Fund Types

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 are the School District's proprietary fund types:

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

Internal Service Funds - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis.

Fiduciary Fund Types

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. The School District's fiduciary funds include expendable trust, nonexpendable trust, and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Nonexpendable trust funds are accounted for in essentially the same manner as proprietary funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of 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 or trust funds.

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note B - Summary of Significant Accounting Policies (continued)

Account Groups (continued)

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

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 and expendable trust funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

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

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

The modified accrual basis of accounting is followed for the governmental, expendable trust, 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. This available period for the School District is sixty days after fiscal year end.

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

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note B - Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

The School District reports deferred revenues 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 2000 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 types and nonexpendable trust fund. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

Budgetary Process

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

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

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note B - Summary of Significant Accounting Policies (continued)

Budgetary Process (continued)

Advances in and Advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

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 Allen 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.

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note B - Summary of Significant Accounting Policies (continued)

Budgetary Process (continued)

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 budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the 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 do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant.

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

Encumbrances

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

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note B - Summary of Significant Accounting Policies (continued)

Budgetary Process (continued)

Lapsing of Appropriations

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

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 the School District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet.

During fiscal year 2000, investments were limited to commercial paper. Except for investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at fair value which is based on quoted market prices. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

The 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 a 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.

Investment earnings are allocated as authorized by state statute and Board Policy.

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

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note B - Summary of Significant Accounting Policies (continued)

Inventory

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

Prepaid Items

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

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 fund. All fixed assets are capitalized at cost (or estimated historical costs) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$500. The School District does not have any infrastructure.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements above \$15,000 are capitalized. Interest incurred during the construction of general fixed assets is also not capitalized.

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note B - Summary of Significant Accounting Policies (continued)

Fixed Assets and Depreciation (continued)

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

Intergovernmental Revenues

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

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

Entitlements:

- General Fund
 - State Foundation Program
 - State Property Tax Relief
 - School Bus Purchase Reimbursement

Non-Reimbursable Grants:

- Special Revenue Funds
 - Auxiliary Service
 - Eisenhower Grant
 - Education Management Information Systems
 - Title I
 - Title VI
 - Title VI-B
 - Drug Free Schools
- Capital Projects Funds
 - School Net
 - School Net Plus

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note B - Summary of Significant Accounting Policies (continued)

Intergovernmental Revenues (continued)

Reimbursable Grants:

General Fund

Drivers Education

Proprietary Funds

National School Lunch Program

Government Donated Commodities

Interfund Assets/Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables" and "interfund payables". Long-term interfund loans are classified as "advances to/from other funds" and are equally offset by a fund balance reserve account, which indicates that they do not constitute available expendable resources since they are not a component of net current assets.

Compensated Absences

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

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note B - Summary of Significant Accounting Policies (continued)

Accrued Liabilities and Long-Term Obligations

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

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

Under Ohio law, a debt service fund must be created and used for the payment of tax and revenue anticipation notes. Generally accepted accounting principles requires the reporting of the liability in the funds that received the proceeds.

Interfund Transactions

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

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

Fund Balance Reserves

The School District reserves fund balance for amounts that are legally segregated for a specific purpose or which are not available for appropriation. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, inventories of supplies and materials, prepaid items, property taxes, a budget stabilization reserve, and a textbook reserve.

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note B - Summary of Significant Accounting Policies (continued)

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.

Total Columns on General Purpose Financial Statements

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

While the School District is reporting financial position, results of operations and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual, All Governmental Fund Types and Similar Trust Funds and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual, All Proprietary Fund Types and Similar Fiduciary Funds 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 as follows:

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note C - Budgetary Basis of Accounting (continued)

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund types (GAAP basis).
4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

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

Governmental and Similar Trust Funds	General	Special Revenue	Capital Projects	Expendable Trust
Fund Balance - GAAP Basis	\$ 126,790	\$ 194,421	\$ 342,692	\$ 30,251
Adjustments to GAAP Basis -				
Accrued Revenues/Prepaid Expenses at June 30, 2000	(7,591,282)	(7,176)	(831,317)	(42)
Accrued Expenditures/ Deferred Revenue at June 30, 2000	8,561,017	68,951	999,280	53
Encumbrances Outstanding at June 30, 2000 (Budget Basis)	(240,091)	(32,104)	(356,899)	(50)
Budget Basis - Fund Balance	\$ 856,434	\$ 224,092	\$ 153,756	\$ 30,212

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note C - Budgetary Basis of Accounting (continued)

<u>Proprietary and Similar Fiduciary Funds</u>	<u>Enterprise</u>	<u>Internal Service</u>
Fund Balance - GAAP Basis	\$ 171,397	\$ 4,140
Adjustments to GAAP Basis -		
Accrued Revenues/Prepaid Expenses/ Inventory Held for Resale at June 30, 2000	(105,076)	-
Accrued Expenditures/ Deferred Revenue at June 30, 2000	131,033	-
Encumbrances Outstanding at June 30, 2000 (Budget Basis)	(40,033)	(1)
Market Value of Investment Adjustment	-	-
Budget Basis - Fund Balance	\$ 157,321	\$ 4,139

Note D - Deposits and Investments

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

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

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

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

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note D - Deposits and Investments (continued)

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

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

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note D - Deposits and Investments (continued)

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

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

During fiscal year 2000, the School District's investments were limited to STAR Ohio.

At fiscal year end, the School District had \$100 in undeposited cash on hand which is included on the 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 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reserve Repurchase Agreements".

Deposits - At fiscal year end, the carrying amount of the School District's deposits was \$2,106,231 and the bank balance was \$2,482,529. Of the bank balance, \$202,241 was covered by federal depository insurance and \$2,280,288 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note D - Deposits and Investments (continued)

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

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Carrying/ Market Value</u>
Categorized Investments	\$ -	\$ -	\$ -	\$ -
Investments not subject to categorization:				
STAR Ohio				<u>3,810</u>
Total Investments				<u>\$ 3,810</u>

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

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note D - Deposits and Investments (continued)

	<u>Cash and Cash Equivalents/ Deposits</u>	<u>Investments</u>
GASB Statement 9	\$ 2,110,141	\$ -
Cash on Hand	(100)	-
Investments:		
STAR Ohio	<u>(3,810)</u>	<u>3,810</u>
GASB Statement 3	<u>\$ 2,106,231</u>	<u>\$ 3,810</u>

Note E - Property Taxes

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the School District. Real property taxes are levied after April 1 on the assessed value lists 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 35 percent of appraised market value. All property is required to be re-valued every six years. Public utility property taxes are assessed on tangible personal property 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value. The assessed values upon which the fiscal year 2000 taxes were collected are listed as follows:

	<u>1999 Second - Half Valuation</u>		<u>2000 First - Half Valuation</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 139,556,930	47.63 %	\$ 142,449,650	48.35 %
Public Utility Personal	23,482,410	8.01	23,733,460	8.06
Tangible Personal Property	<u>130,004,772</u>	<u>44.36</u>	<u>128,398,713</u>	<u>43.59</u>
Total Assessed Value	<u>\$ 293,044,112</u>	<u>100.00 %</u>	<u>\$ 294,581,823</u>	<u>100.00 %</u>
Effective Tax Rate Per \$1,000 of Assessed Valuation	\$30.37		\$30.87	

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note E - Property Taxes (continued)

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 Allen 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 is 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 represent delinquent taxes outstanding and real property, personal property and public utility taxes, which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30th is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. Any amount available as an advance at June 30th is recognized as revenue.

Note F - Receivables

Receivables at June 30, 2000, consisted of property taxes, accounts (rent, billings for user charged services, and student fees), interfund, 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 fiscal year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

General Fund	\$	27,632
Special Revenue Fund		6,394
TOTAL	\$	<u>34,026</u>

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note G - Fixed Assets

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

Furniture and Equipment	\$ 242,978
Less: Accumulated Depreciation	(193,352)
Net Fixed Assets	\$ <u>49,626</u>

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

<u>Asset Category</u>	<u>Balance 6-30-99</u>	<u>Net Additions Disposals</u>	<u>Balance 6-30-00</u>
Land and Improvements	\$ 189,234	\$ 2,714	\$ 191,948
Buildings and Improvements	12,165,607	383	12,165,990
Furniture, Fixtures, and Equipment	2,619,625	268,711	2,888,336
Vehicles	<u>1,242,097</u>	<u>21,519</u>	<u>1,263,616</u>
Total	<u>\$ 16,216,563</u>	<u>\$ 293,327</u>	<u>\$ 16,509,890</u>

There was no significant construction in progress at June 30, 2000.

Note H - Employee Benefits

Compensated Absences

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Administrative and classified employees earn up to twenty days of vacation per year depending upon length of service. Vacation days are credited to classified employees as earned on a monthly basis and must be used within the next twenty-four months. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month, which is 15 days annually. For administrators, teachers, and classified employees, such days shall accumulate equal to 260 days. Vested sick leave is accumulated and, if unused, is paid upon retirement at the rate of one fourth of the accumulated sick leave when an employee has 10 years with the School District. Certified and classified employees are limited to a maximum of 55 paid days.

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note H - Employee Benefits (continued)

Life Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees through CoreSource.

Note I - Long-Term Debt

Debt outstanding at June 30, 2000 consisted of the following:

The energy management loan was used in conjunction with a grant for the installation of heating and lighting controls for energy conservation in compliance with House Bill 264.

Energy Mangement Loans -			
Principal	\$	256,000	
Interest		4.85%	
Principal	\$	185,000	
Interest		5.30%	
Principal	\$	57,000	
Interest		4.50%	

The asbestos abatement loans are interest free loans obtained from the United States Environmental Protection Agency in conjunction with a grant for the removal of asbestos from school buildings.

Asbestos Abatement Loans (Interest Free)

Principal Outstanding Loan #1	\$	5,916
Principal Outstanding Loan #2	\$	91,457

Bath Local School District was assessed for a sewer improvement project. The final cost of \$487,285 will be paid over a period of 20 years with an interest rate of approximately 5%.

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note I - Long-Term Debt (continued)

The annual requirements to amortize the long-term debt outstanding as of June 30, 2000 is as follows:

Year Ending June 30th	Energy Management Loan	Asbestos Removal Loan	Sewer Line Assessment
2001	\$ 138,000	\$ 19,070	\$ 48,728
2002	144,000	14,987	48,728
2003	151,000	14,070	48,728
2004	65,000	14,070	48,728
2005	-	14,070	48,728
Thereafter	-	21,106	243,645
TOTAL	\$ 498,000	\$ 97,373	\$ 487,285

Changes in long-term obligations of the School District during fiscal year 2000 were as follows:

	Outstanding 6-30-99	Additions	Deletions	Outstanding 6-30-00
Intergovernmental Payables	\$ 354,312	\$ -	\$ 249,097	\$ 105,215
General Obligations	744,443	487,285	149,070	1,082,658
Compensated Absences	1,272,521	-	195,428	1,077,093
Total General Long-Term Obligations	\$ 2,371,276	\$ 487,285	\$ 593,595	\$ 2,264,966

Compensated absences and intergovernmental payables will be paid from the fund, which the employees salary is paid. Compensated absences and intergovernmental payables additions and deletions have been netted because the calculation is an estimate making it impractical to determine.

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note J - Defined Benefit Pension Plans

School Employee Retirement System

The 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. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. For fiscal year 1998, 9.79 percent was the portion used to fund pension obligations. 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 \$269,106, \$252,726 and \$243,375, respectively. For fiscal year 2000, 41 percent has been contributed and 100 percent for the fiscal years 1999 and 1998. For 2000, \$157,823 representing the unpaid contribution for fiscal year 2000 is recorded as a liability within the respective funds and the general long-term obligations account group.

State Teachers Retirement System

The Bath Local School District participates in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that included financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note J - Defined Benefit Pension Plans (continued)

State Teachers Retirement System (continued)

Plan members are required to contribute 9.3 percent of their annual covered salary and the Bath Local School District is required to contribute 14 percent; 10.5 percent was the portion used to fund pension obligations. Prior to July 1, 1997, the portion used to fund pension obligations was 12 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's contributions to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$810,472, \$783,120 and \$771,432, respectively. For fiscal year 2000, 86 percent has been contributed and 100 percent for the fiscal years 1999 and 1998. \$112,851 representing the unpaid contribution for fiscal year 2000 is recorded as a liability within the respective funds and the general long-term obligations account group.

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. The Board's liability is 6.2 percent of wages paid.

Note K - Post Employment Benefits

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Board allocates employer contributions equal to 2 percent of covered payroll to the Health Care Reserve Fund from which health care benefits are paid. However, for the fiscal year ended June 30, 2000, the board allocated employer contributions equal to 8% of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$463,126 during fiscal 2000.

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note K - Post Employment Benefits (continued)

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

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

For this fiscal year, employer contributions to fund health care benefits were 4.21 percent of covered payroll, an increase from 3.5 percent for fiscal year 1997. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 125 percent of annual health care expenses. Expenses for health care at June 30, 1997, were \$97,429,197 and the target level was \$121.8 million. At June 30, 1997 SERS had net assets available for payment of health care benefits of \$146.4 million. SERS has approximately 48,200 participants currently receiving health care benefits. For the School District, the amount to fund health care benefits, including the surcharge, equaled \$80,924 during the 2000 fiscal year.

Note L - Segment Information for Enterprise Funds

The School District maintains two Enterprise funds to account for the operations of food service and uniform school supplies. The following table summarizes the more significant financial data relating to the Enterprise Funds of the Bath Local School District for the fiscal year ended June 30, 2000.

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note L - Segment Information for Enterprise Funds (continued)

	Food Service	Uniform School Supplies	Total Enterprise Funds
Operating Revenues	\$ 473,320	\$ 75,197	\$ 548,517
Operating Expenses Less Depreciation	749,531	74,266	823,797
Depreciation Expense	7,678	-	7,678
Operating Income (Loss)	(283,889)	931	(282,958)
Donated Commodities	61,108	-	61,108
Operating Grants	139,162	-	139,162
Interest	7,225	-	7,225
Net Income (Loss)	(76,394)	931	(75,463)
Net Working Capital	19,018	102,753	121,771
Total Assets	186,607	115,823	302,430
Total Equity	68,644	102,753	171,397
Encumbrances Outstanding at June 30, 2000	5,500	34,533	40,033

Note M - Joint Venture

Northwest Ohio Area Computer Services Cooperative - The School District is a participant in the Northwest Ohio Area Computer Services Cooperative (NOACSC) which is a computer consortium. NOACSC is an association of public school districts within the boundaries of Allen, Auglaize, Hancock, Mercer, Paulding, Putnam, and Van Wert Counties. The 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 school districts.

The governing board of NOACSC consists of two representatives from each county elected by majority vote of all charter member school districts within each county plus one representative from the fiscal agent. The School District has an equity interest that is explicit and measurable in that the joint venture agreement stipulates that the participants have a future claim to the net resources of NOACSC upon dissolution. The agreement sets forth the method to determine each members' proportionate share.

NOACSC is not accumulating significant financial resources nor is it experiencing fiscal stress that may cause an additional financial benefit to or burden on members in the future. Financial information can be obtained from Michael Wildermuth, who serves as Director, at 645 South Main Street, Lima, Ohio 45804.

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note N - Jointly Governed Organizations

Apollo Joint Vocational School - The Apollo Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the eleven participating school districts' elected boards, which possesses its own budgeting and taxing authority. To obtain financial information write to the Apollo Joint Vocational School, Greg Bukowski, who serves as Treasurer, at 3325 Shawnee Road, Lima, Ohio 45806.

Note O - Contingencies

Grants - The District received 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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2000.

Note P - Risk Management

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2000, the School District contracted with Commercial Insurers for property and fleet insurance, liability insurance, and inland marine coverage. Coverages provided by those insurers are as follows:

Building and Contents - replacement cost (\$1,000 deductible) \$32,607,300
Musical Instruments (\$100 deductible) \$560,000
Inland Marine Coverage \$525,000
Automobile Liability \$2,000,000
Uninsured Motorists \$2,000,000
General Liability -
 Per occurrence \$1,000,000
 Aggregate \$3,000,000

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note P - Risk Management (continued)

The School District is a member of a cooperative group established to provide a minimum premium insurance fund to pay medical claims of the employees and their covered dependents, and to minimize the total cost of annual medical insurance to the District. The hospitalization, life, dental, and health insurance program operates under the control of a Board of Trustees representing the member schools. The plan is administered by CoreSource of Westerville, Ohio.

Note Q - 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 District. During the fiscal year ended June 30, 2000, the District received \$1,866,122 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County 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 the issue. The Court concluded, "...the mandate of the Ohio Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly...", including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

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

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

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

Note R - Restricted Assets

The District is required by state law to set aside certain general fund revenue amounts into various reserves. The District met the State requirements for the Textbook Reserve and the Capital Maintenance Reserve and were not required to set aside these funds. The budget stabilization reserve was set aside and added to the prior year amount, which consisted of the Worker's Compensation Refund.

		<u>Textbook Reserve</u>		<u>Capital Maintenance Reserve</u>		<u>Budget Stabilization Reserve</u>		<u>Total</u>
Balance, 7/1/1999	\$	-	\$	-	\$	126,009	\$	126,009
Required Set-Aside		257,951		257,951		85,984		601,886
Offset Credits		-		257,951		-		257,951
Qualifying Expenditures		<u>280,782</u>		<u>-</u>		<u>-</u>		<u>280,782</u>
Balance Carriedforward to Fiscal Year 2001		<u>(22,831)</u>		<u>-</u>		<u>211,993</u>		<u>189,162</u>
Balance, 6/30/2000	\$	<u>-</u>	\$	<u>-</u>	\$	<u>211,993</u>	\$	<u>211,993</u>

Note S – Accountability and Compliance

Fund Deficit – The general fund, unreserved fund balance, had a deficit balance at June 30, 2000 of \$743,758, which primarily resulted from the reservation of property taxes available for advance.

Note T – Prior Year Adjustment

The prior year expendable trust fund ending balance was erroneously stated at \$25,783. This balance has been restated to \$27,527 due to an incorrect classification of the Agency fund for the year ending June 30, 1999.

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BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

SCHEDULE OF FEDERAL AWARDS EXPENDITURES - CASH BASIS

For the Year Ended June 30, 2000

Federal Grantor/ Pass-Through Grantor/ <u>Program Titles</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>
<u>U.S. Department of Education</u> (Passed-Through Ohio Department of Education)		
Handicapped Preschool and School Program Title VI-B	045765-6B-SF-1999P 045765-6B-SF-2000P	84.027 84.027
Education Consolidation and Improvement Act of 1981 Title I	045765-C1-S1-1999 045765-C1-S1-1999C 045765-C1-SD-2000	84.010 84.010 84.010
Innovative Education Program Strategy	045765-C2-S1-1999C 045765-C2-S1-2000	84.298 84.298
Drug Free School Grant	045765-DR-S1-1998C 045765-DR-S1-1999C 045765-DR-S1-2000	84.186 84.186 84.186
Eisenhower Professional Development	045765-MS-S1-1998C 045765-MS-S1-1999C 045765-MS-S1-2000	84.281 84.281 84.281
Goals 2000	045765-G2-S2-2000P	84.276
Class Size Reduction Title VI-R	045765-CR-S1-2000	84.340
Total U.S. Department of Education		
<u>U.S. Department of Agriculture</u> (Passed-Through Ohio Department of Education)		
Child Nutrition Cluster:		
National School Breakfast Program		10.553
National School Lunch Program		10.556
Total Child Nutrition Cluster		
Food Distribution Program (at Fair Market Value)		10.550
Total U. S. Department of Agriculture		
Total Federal Financial Assistance		

Note A - Significant Accounting Policies

The accompanying schedule of federal awards expenditures is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

Note B - Food Distribution

Nonmonetary assistance 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 \$7,867 of food commodities in inventory.

<u>Receipts</u>	<u>Non-Cash Receipts</u>	<u>Disbursements</u>	<u>Non-Cash Disbursements</u>
\$ (1,211)	\$ -	\$ 20,949	\$ -
<u>60,490</u>	<u>-</u>	<u>60,735</u>	<u>-</u>
<u>59,279</u>	<u>-</u>	<u>81,684</u>	<u>-</u>
55,339	-	53,359	-
-	-	3,394	-
<u>196,199</u>	<u>-</u>	<u>142,629</u>	<u>-</u>
<u>251,538</u>	<u>-</u>	<u>199,382</u>	<u>-</u>
1,432	-	7,852	-
<u>3,182</u>	<u>-</u>	<u>3,027</u>	<u>-</u>
<u>4,614</u>	<u>-</u>	<u>10,879</u>	<u>-</u>
(1,636)	-	277	-
19,265	-	12,520	-
<u>2,739</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>20,368</u>	<u>-</u>	<u>12,797</u>	<u>-</u>
(31)	-	-	-
-	-	1,732	-
<u>2,633</u>	<u>-</u>	<u>2,269</u>	<u>-</u>
<u>2,602</u>	<u>-</u>	<u>4,001</u>	<u>-</u>
-	-	4,446	-
<u>30,143</u>	<u>-</u>	<u>24,802</u>	<u>-</u>
<u>368,544</u>	<u>-</u>	<u>337,991</u>	<u>-</u>
17,646	-	17,646	-
<u>134,323</u>	<u>-</u>	<u>134,323</u>	<u>-</u>
<u>151,969</u>	<u>-</u>	<u>151,969</u>	<u>-</u>
-	61,457	-	61,109
<u>151,969</u>	<u>61,457</u>	<u>151,969</u>	<u>61,109</u>
<u>\$ 520,513</u>	<u>\$ 61,457</u>	<u>\$ 489,960</u>	<u>\$ 61,109</u>

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E.S. Evans and Company

Certified Public Accountants and Consultants

205 West Elm Street • Lima, Ohio 45801 • Phone: (419) 223-3075
P.O. Box 298 • Lima, Ohio 45802 • Fax: (419) 222-8507 • E-mail: askus@esevans.com

Robert E. Wendel, CPA • Dan F. Clifford, CPA • E.S. Evans, CPA, PFS (1930-1999)

December 20, 2000

**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
Bath Local School District and
Allen County, Ohio

Auditor of State of Ohio
Columbus, Ohio

We have audited the general purpose financial statements of Bath Local School District as of and for the year ended June 30, 2000, and have issued our report thereon dated December 20, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Bath Local School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance, which we have reported to management of Bath Local School District in a separate letter dated December 20, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Bath Local School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of Bath Local School District in a separate letter dated December 20, 2000.

This report is intended for the information of the management, Board of Education, Auditor of State of Ohio 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.

A handwritten signature in red ink, appearing to read "E. L. Green and Company".



E.S. Evans and Company

Certified Public Accountants and Consultants

205 West Elm Street • Lima, Ohio 45801 • Phone: (419) 223-3075

P.O. Box 298 • Lima, Ohio 45802 • Fax: (419) 222-8507 • E-mail: askus@esevans.com

Robert E. Wendel, CPA • Dan F. Clifford, CPA • E.S. Evans, CPA, PFS (1930-1999)

December 20, 2000

**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
Bath Local School District and
Allen County, Ohio

Auditor of State of Ohio
Columbus, Ohio

Compliance

We have audited the compliance of Bath Local School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2000. Bath Local School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Bath Local School District's management. Our responsibility is to express an opinion on Bath Local School 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 Bath Local School 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 Bath Local School District's compliance with those requirements.

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

Internal Control Over Compliance

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

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

This report is intended for the information of the management, Board of Education, Auditor of State of Ohio 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.

A handwritten signature in red ink, appearing to read "E. L. Green and Company".

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

SCHEDULE OF FINDINGS AND QUESTIONED
COSTS OMB CIRCULAR A-133 § .505

June 30, 2000

A. Summary of Auditor's Results

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under .510?	No
(d)(1)(vii)	Major Programs (list): Child Nutrition Cluster Food Distribution Program	CFDA #10.555 School Lunch Program CFDA #10.553 School Breakfast Prog CFDA#10.550 Food Distribution Prog
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

SCHEDULE OF FINDINGS AND QUESTIONED
COSTS OMB CIRCULAR A-133 § .505

June 30, 2000

B. Findings Related To The Financial Statements Required
To Be Reported In Accordance With GAGAS

None

C. Findings and Questioned Costs for Federal Awards

None

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY, OHIO

SCHEDULE OF PRIOR AUDIT FINDINGS AND
QUESTIONED COSTS OMB CIRCULAR A-133 § .315(b)

June 30, 2000

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
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None



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

BATH LOCAL SCHOOL DISTRICT

ALLEN 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
FEBRUARY 27, 2001**