



**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED JUNE 30, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Liberty Center Local School District
Henry County
103 West Young Street
P.O. Box 434
Liberty Center, Ohio 43532-0434

To the Board of Education:

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

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Liberty Center Local School District, Henry County, 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 accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2002 on our consideration of the Government'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.

Jim Petro
Auditor of State

January 15, 2002

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**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

**Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2000**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$2,321,970	\$64,281	\$243,465	\$2,050
Investments				
Receivables:				
Taxes	2,383,148		346,789	
Accounts	1,656	2,246		
Intergovernmental	17,830			7,200
Accrued Interest	4,266			
Interfund Receivable	7,200			
Income Tax	304,805			
Loans				
Materials and Supplies Inventory	11,906			
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	171,181			
Fixed Assets				
Accumulated Depreciation				
Other Debits:				
Amount in Debt Service Fund for Retirement				
Amounts to be Provided from General Government Resources				
Total Assets and Other Debits	\$5,223,962	\$66,527	\$590,254	\$9,250

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$88,924	\$46	\$22,837 2,920			\$2,743,573 \$2,920
1,748		132			2,729,937 5,782 25,030 4,266 7,200 304,805
15,051		1,700			1,700 26,957
159,851 (82,714)			\$13,957,604		171,181 14,117,455 (82,714)
				\$243,465	243,465
				3,535,321	3,535,321
\$182,860	\$46	\$27,589	\$13,957,604	\$3,778,786	\$23,836,878

(Continued)

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

**Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2000
(Continued)**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts Payable	\$283	\$264		
Contracts Payable	141,088			\$750
Accrued Wages and Benefits	608,600	10,870		
Compensated Absences Payable	36,368	217		
Interfund Payable				7,200
Intergovernmental Payable	91,672	1,226		
Deferred Revenue	2,161,046		\$317,158	
Undistributed Monies				
Due to Students				
General Obligation Bonds Payable				
Total Liabilities	3,039,057	12,577	317,158	7,950
Fund Equity and Other Credits:				
Investment in General Fixed Assets				
Contributed Capital				
Retained Earnings:				
Unreserved				
Fund Balances:				
Reserved for Encumbrances	276,912	14,409		1,300
Reserved for Inventory	11,906			
Reserved for Debt Service Principal			243,465	
Reserved for Advances	7,200			
Reserved for Property Taxes	222,102		29,631	
Reserved for Capital Improvements	57,178			
Reserved for Budget Stabilization	114,003			
Reserved for Loans Receivable				
Designated for Textbooks	6,882			
Designated for Capital Improvements	28,990			
Unreserved, Undesignated	1,459,732	39,541		
Total Fund Equity and Other Credits	2,184,905	53,950	273,096	1,300
Total Liabilities, Fund Equity and Other Credits	\$5,223,962	\$66,527	\$590,254	\$9,250

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

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
					\$547
					141,838
\$23,355		\$1,104			643,929
13,233				\$272,741	322,559
					7,200
12,898		249		51,045	157,090
6,831					2,485,035
		514			514
		19,418			19,418
				3,455,000	3,455,000
56,317		21,285		3,778,786	7,233,130
			\$13,957,604		13,957,604
128,591					128,591
(2,048)	\$46				(2,002)
					292,621
					11,906
					243,465
					7,200
					251,733
					57,178
					114,003
		1,700			1,700
					6,882
					28,990
		4,604			1,503,877
126,543	46	6,304	13,957,604		16,603,748
\$182,860	\$46	\$27,589	\$13,957,604	\$3,778,786	\$23,836,878

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances
All Governmental and Similar Fiduciary Fund Types
For the Year Ended June 30, 2000**

	Governmental Fund Types	
	General	Special Revenue
Revenues:		
Intergovernmental	\$3,630,786	\$180,151
Interest	173,124	2,639
Tuition and Fees	37,038	1,398
Rent	983	
Extracurricular Activities		148,441
Gifts and Donations	290	17,712
Income Tax	837,936	
Property and Other Local Taxes	2,455,924	
Miscellaneous	2,117	4,725
Total Revenues	7,138,198	355,066
Expenditures:		
Instruction:		
Regular	3,136,492	20,717
Special	708,279	91,727
Vocational	139,973	
Other	10,346	
Support services:		
Pupils	241,068	35,169
Instructional Staff	99,289	14,736
Board of Education	25,075	
Administration	477,830	36,165
Fiscal	190,711	
Operation and Maintenance of Plant	639,338	
Pupil Transportation	377,774	
Central	219,496	26,052
Extracurricular activities	191,711	159,450
Capital Outlay	329,697	
Debt Service:		
Principal		
Interest		
Total Expenditures	6,787,079	384,016
Excess of Revenues Over (Under) Expenditures	351,119	(28,950)
Other Financing Sources and Uses		
Operating Transfers In	948	15,000
Proceeds from Sale of Fixed Assets	321	
Refund of Prior Year Expenditures	10,060	905
Operating Transfers Out	(77,652)	
Refund of Prior Year Receipts	(15)	(1,491)
Other Financing Uses	(3,100)	
Total Other Financing Sources (Uses)	(69,438)	14,414
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	281,681	(14,536)
Fund Balance at Beginning of Year	1,903,224	68,486
Fund Balance at End of Year	\$2,184,905	\$53,950

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

Governmental Fund Types		Fiduciary Fund Types	Totals (Memorandum Only)
Debt Service	Capital Projects	Expendable Trust	
\$32,513	\$124,432	\$154	\$3,967,882
			175,917
			38,436
			983
			148,441
		140	18,142
			837,936
355,037			2,810,961
		688	7,530
<u>387,550</u>	<u>124,432</u>	<u>982</u>	<u>8,006,228</u>
	51,707		3,208,916
			800,006
			139,973
			10,346
			276,237
			114,025
			25,075
			513,995
8,887			199,598
	132,351		771,689
	2,466		377,774
			248,014
		385	351,546
			329,697
100,000			100,000
207,223			207,223
<u>316,110</u>	<u>186,524</u>	<u>385</u>	<u>7,674,114</u>
<u>71,440</u>	<u>(62,092)</u>	<u>597</u>	<u>332,114</u>
	61,652		77,600
			321
			10,965
			(77,652)
			(1,506)
			(3,100)
	<u>61,652</u>		<u>6,628</u>
71,440	(440)	597	338,742
201,656	1,740	5,707	2,180,813
<u>\$273,096</u>	<u>\$1,300</u>	<u>\$6,304</u>	<u>\$2,519,555</u>

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual Comparison (Non-GAAP Budgetary Basis)
All Governmental and Similar Fiduciary Fund Types
For the Fiscal Year Ended June 30, 2000**

	<u>General</u>		Variance: Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	
Revenues:			
Intergovernmental	\$3,615,583	\$3,616,802	\$1,219
Interest	130,000	179,603	49,603
Tuition and Fees	45,900	49,653	3,753
Rent	1,000	1,100	100
Extracurricular Activities			
Gifts and Donations	2,000	290	(1,710)
Income Tax	820,000	853,854	33,854
Property and Other Local Taxes	2,025,770	2,416,396	390,626
Miscellaneous	4,000	2,117	(1,883)
Total Revenues	<u>6,644,253</u>	<u>7,119,815</u>	<u>475,562</u>
Expenditures:			
Current:			
Instruction:			
Regular	3,196,895	3,120,592	76,303
Special	716,745	708,569	8,176
Vocational	144,970	140,778	4,192
Other	23,000	10,346	12,654
Support services:			
Pupils	250,151	248,128	2,023
Instructional Staff	104,378	99,136	5,242
Board of Education	28,934	25,216	3,718
Administration	496,709	482,691	14,018
Fiscal	201,000	189,843	11,157
Operation and Maintenance of Plant	688,034	648,283	39,751
Pupil Transportation	423,965	378,514	45,451
Central	219,400	215,385	4,015
Non-Instructional Services			
Extracurricular activities	204,050	191,506	12,544
Capital Outlay	599,338	595,417	3,921
Debt Service:			
Principal			
Interest			
Total Expenditures	<u>7,297,569</u>	<u>7,054,404</u>	<u>243,165</u>
Excess of Revenues Over (Under) Expenditures	<u>(653,316)</u>	<u>65,411</u>	<u>718,727</u>
Other Financing Sources and Uses			
Operating Transfers In		948	948
Proceeds from Sale of Fixed Assets	1,000	321	(679)
Refund of Prior Year Expenditures	3,800	9,206	5,406
Advances In	24,700	24,695	(5)
Operating Transfers Out	(80,755)	(80,752)	3
Refund of Prior Year Receipts	(15)	(15)	
Advances Out	(7,200)	(7,200)	
Total Other Financing Sources (Uses)	<u>(58,470)</u>	<u>(52,797)</u>	<u>5,673</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(711,786)</u>	<u>12,614</u>	<u>724,400</u>
Fund Balances at Beginning of Year	1,906,069	1,906,069	
Prior Year Encumbrances Appropriated	156,228	156,228	
Fund Balance at end of Year	<u><u>\$1,350,511</u></u>	<u><u>\$2,074,911</u></u>	<u><u>\$724,400</u></u>

Special Revenue			Debt Service		
Budget	Actual	Variance: Favorable (Unfavorable)	Budget	Actual	Variance: Favorable (Unfavorable)
\$205,335	\$184,630	(\$20,705)	\$28,236	\$32,512	\$4,276
1,636	2,639	1,003			
1,600	1,398	(202)			
120,431	147,926	27,495			
14,300	17,712	3,412			
			303,964	353,223	49,259
4,450	4,725	275			
<u>347,752</u>	<u>359,030</u>	<u>11,278</u>	<u>332,200</u>	<u>385,735</u>	<u>53,535</u>
34,383	22,542	11,841			
102,648	92,522	10,126			
37,814	34,281	3,533			
15,518	15,518				
38,149	36,984	1,165			
			10,000	8,887	1,113
35,011	32,769	2,242			
171,930	165,837	6,093			
			100,000	100,000	
			207,225	207,222	3
<u>435,453</u>	<u>400,453</u>	<u>35,000</u>	<u>317,225</u>	<u>316,109</u>	<u>1,116</u>
<u>(87,701)</u>	<u>(41,423)</u>	<u>46,278</u>	<u>14,975</u>	<u>69,626</u>	<u>54,651</u>
18,000	15,000	(3,000)			
	905	905			
(1,491)	(1,491)				
<u>16,509</u>	<u>14,414</u>	<u>(2,095)</u>			
(71,192)	(27,009)	44,183	14,975	69,626	54,651
73,912	73,912		173,839	173,839	
2,705	2,705				
<u>\$5,425</u>	<u>\$49,608</u>	<u>\$44,183</u>	<u>\$188,814</u>	<u>\$243,465</u>	<u>\$54,651</u>

(Continued)

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

**Combined Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual Comparison (Non-GAAP Budgetary Basis)
All Governmental and Similar Fiduciary Fund Types
For the Fiscal Year Ended June 30, 2000
(Continued)**

	<u>Capital Projects</u>		Variance: Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	
Revenues:			
Intergovernmental	\$149,128	\$141,928	(\$7,200)
Interest			
Tuition and Fees			
Rent			
Extracurricular Activities			
Gifts and Donations			
Income Tax			
Property and Other Local Taxes			
Miscellaneous			
Total Revenues	<u>149,128</u>	<u>141,928</u>	<u>(7,200)</u>
Expenditures:			
Current:			
Instruction:			
Regular	51,707	51,707	
Special			
Vocational			
Other			
Support services:			
Pupils			
Instructional Staff			
Board of Education			
Administration			
Fiscal			
Operation and Maintenance of Plant	133,651	133,651	
Pupil Transportation			
Central	2,466	2,466	
Non-Instructional Services			
Extracurricular activities			
Capital Outlay			
Debt Service:			
Principal			
Interest			
Total Expenditures	<u>187,824</u>	<u>187,824</u>	
Excess of Revenues Over (Under) Expenditures	<u>(38,696)</u>	<u>(45,896)</u>	<u>(7,200)</u>
Other Financing Sources and Uses			
Operating Transfers In	61,651	61,651	
Proceeds from Sale of Fixed Assets			
Refund of Prior Year Expenditures			
Advances In		7,200	7,200
Operating Transfers Out			
Refund of Prior Year Receipts			
Advances Out	<u>(24,695)</u>	<u>(24,695)</u>	
Total Other Financing Sources (Uses)	<u>36,956</u>	<u>44,156</u>	<u>7,200</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(1,740)</u>	<u>(1,740)</u>	
Fund Balances at Beginning of Year	1,740	1,740	
Prior Year Encumbrances Appropriated			
Fund Balance at end of Year	<u><u>1,740</u></u>	<u><u>1,740</u></u>	

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

Expendable Trust			Totals (Memorandum Only)		
Budget	Actual	Variance: Favorable (Unfavorable)	Budget	Actual	Variance: Favorable (Unfavorable)
\$150	\$154	\$4	\$3,998,282	\$3,975,872	(\$22,410)
			131,786	182,396	50,610
			47,500	51,051	3,551
			1,000	1,100	100
			120,431	147,926	27,495
50	140	90	16,350	18,142	1,792
			820,000	853,854	33,854
1,300	1,239	(61)	2,329,734	2,769,619	439,885
1,500	1,533	33	9,750	8,081	(1,669)
			7,474,833	8,008,041	533,208
			3,282,985	3,194,841	88,144
			819,393	801,091	18,302
			144,970	140,778	4,192
			23,000	10,346	12,654
			287,965	282,409	5,556
			119,896	114,654	5,242
			28,934	25,216	3,718
			534,858	519,675	15,183
			211,000	198,730	12,270
			821,685	781,934	39,751
			423,965	378,514	45,451
			256,877	250,620	6,257
1,010		1,010	1,010		1,010
420	385	35	376,400	357,728	18,672
			599,338	595,417	3,921
			100,000	100,000	
			207,225	207,222	3
1,430	385	1,045	8,239,501	7,959,175	280,326
70	1,148	1,078	(764,668)	48,866	813,534
			79,651	77,599	(2,052)
			1,000	321	(679)
			3,800	10,111	6,311
			24,700	31,895	7,195
			(80,755)	(80,752)	3
			(1,506)	(1,506)	
			(31,895)	(31,895)	
			(5,005)	5,773	10,778
70	1,148	1,078	(769,673)	54,639	824,312
3,426	3,426		2,158,986	2,158,986	
30	30		158,963	158,963	
\$3,526	\$4,604	\$1,078	\$1,548,276	\$2,372,588	\$824,312

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

**Combined Statement of Revenues, Expenses and Changes in Fund Equity
All Proprietary Fund Types
For the Year Ended June 30, 2000**

	<u>Proprietary Fund Types</u>		Totals (Memorandum Only)
	<u>Enterprise</u>	<u>Internal Service</u>	
Operating Revenues:			
Sales	\$245,658		\$245,658
Other Revenues	1,180	\$45,170	\$46,350
Refund of Prior Year Expense	80		80
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	246,918	45,170	292,088
	<hr/>	<hr/>	<hr/>
Operating Expenses			
Salaries	110,534		110,534
Fringe Benefits	41,791		41,791
Purchased Services	9,913		9,913
Materials and Supplies	162,365	35,549	197,914
Depreciation	11,300		11,300
Other		10,375	10,375
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	335,903	45,924	381,827
	<hr/>	<hr/>	<hr/>
Operating Loss	(88,985)	(754)	(89,739)
	<hr/>	<hr/>	<hr/>
Non-Operating Revenues and Expenses			
Federal Donated Commodities	30,127		30,127
Interest	3,528		3,528
Federal and State Subsidies	43,146		43,146
Other		800	800
Loss on Sale of Fixed Assets	(778)		(778)
	<hr/>	<hr/>	<hr/>
Total Non-Operating Revenues and Expenses	76,023	800	76,823
	<hr/>	<hr/>	<hr/>
Income (Loss) Before Operating Transfers	(12,962)	46	(12,916)
Operating Transfers-In	1,000		1,000
	<hr/>	<hr/>	<hr/>
Net Income (Loss)	(11,962)	46	(11,916)
	<hr/>	<hr/>	<hr/>
Retained Earnings at Beginning of Year	9,914		9,914
	<hr/>	<hr/>	<hr/>
Retained Earnings at End of Year	(2,048)	46	(2,002)
	<hr/>	<hr/>	<hr/>
Contributed Capital at End of Year	128,591		128,591
	<hr/>	<hr/>	<hr/>
Total Fund Equity at End of Year	\$126,543	\$46	\$126,589

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

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

**Combined Statement of Cash Flow
All Proprietary Fund Types
For the Year Ended June 30, 2000**

	<u>Proprietary Fund Types</u>		<u>Totals (Memorandum Only)</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 Sales	\$244,100		\$244,100
Other Cash Receipts	1,260	\$45,170	46,430
Cash Payments to Suppliers for Goods and Service	(132,510)	(35,549)	(168,059)
Cash Payments for Contract Services	(9,913)		(9,913)
Cash Payments for Employee Services	(109,802)		(109,802)
Cash Payments for Employee Benefits	(41,862)		(41,862)
Other Cash Payments		(10,375)	(10,375)
Net Cash Used by Operating Activities	<u>(48,727)</u>	<u>(754)</u>	<u>(49,481)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating Grants Received	57,606		57,606
Transfers In	1,000		1,000
Other		800	800
Net Cash Provided by Noncapital Financing Activities	<u>58,606</u>	<u>800</u>	<u>59,406</u>
<u>Cash Flows from Investing Activities:</u>			
Interest Received	3,528		3,528
Net Cash Provided by Investing Activities	<u>3,528</u>		<u>3,528</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Payments for Capital Acquisitions	(236)		(236)
Net Cash Used by Capital and Related Financing Activities	<u>(236)</u>		<u>(236)</u>
Net Increase in Cash and Cash Equivalents	13,171	46	13,217
Cash and Cash Equivalents at Beginning of Year	<u>75,753</u>		<u>75,753</u>
Cash and Cash Equivalents at End of Year	<u>\$88,924</u>	<u>\$46</u>	<u>\$88,970</u>

(Continued)

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

**Combined Statement of Cash Flow
All Proprietary Fund Types
For the Year Ended June 30, 2000
(Continued)**

	<u>Proprietary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Loss	(\$88,985)	(\$754)	(\$89,739)
<u>Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:</u>			
Depreciation	11,300		11,300
Donated Commodities Used During the Year	30,127		30,127
Adjustments to Capital Outlay	236		236
(Increase) Decrease in Assets:			
Accounts Receivable	(1,558)		(1,558)
Material and Supplies Inventory	2,481		2,481
Increase (Decrease) in Liabilities:			
Compensated Absences Payable	2,480		2,480
Intergovernmental Payable	(2,267)		(2,267)
Deferred Revenue	(2,989)		(2,989)
Accrued Wages and Benefits	688		688
Accounts Payable	(240)		(240)
Total Adjustments	<u>40,258</u>		<u>40,258</u>
Net Cash Provided (Used) by Operating Activities	<u>(\$48,727)</u>	<u>(\$754)</u>	<u>(\$49,481)</u>

The Food Service Fund consumed donated commodities with a value of \$30,127. The use of these commodities is reflected as an operating expense.

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

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

**Notes to the General-Purpose Financial Statements
June 30, 2000**

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Liberty Center Local School District (the District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. Liberty Center Local School District is a local school district as defined by Section 3311.03 of Ohio Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District. The board oversees the operations of the District's instructional/support facilities.

The Reporting Entity

The District has implemented the Government Accounting Standards Board (GASB) pronouncements concerning the definition of the reporting entity. Accordingly, the District's balance sheet includes all funds, account groups, agencies, boards, commissions, and component units over which the District officials exercise oversight responsibility.

Oversight responsibility includes such aspects as appointment of governing body members, budget review, approval of property tax levies, outstanding debt secured by District full faith and credit or revenues, and responsibility for funding deficits. On this basis, there were no organizations subject to the District's oversight responsibility, which required incorporation into the financial statements.

The District is associated with organizations, which are defined as jointly governed organizations, a related organization and group purchasing pools. These organizations include the Northwest Ohio Computer Association, the Northern Buckeye Education Council, the Four County Career Center, the Northwestern Ohio Educational Research Council, Inc., the Liberty Center Public Library, the Northern Buckeye Education Council's Employee Insurance Benefit Program, and the Northern Buckeye Education Council Workers' Compensation Group Rating Plan. These organizations are presented in Notes 12, 13, and 14 to the general-purpose financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The modified accrual basis of accounting is followed for governmental, expendable trust, and agency funds. The measurement focus is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income determination. Under this basis of accounting:

1. Only current assets and current liabilities are generally included on their balance sheets.
2. Operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.
3. Revenues are recognized when they become both measurable and available to finance expenditures for the current period, which for the District is 60 days after year end.
 - a. Revenue accrued at the end of the year included taxes, interest, student fees, and tuition.

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

**Notes to the General-Purpose Financial Statements
June 30, 2000
(Continued)**

- b. Property taxes measurable but not available as of June 30, 2000 and delinquent property taxes, whose availability is indeterminate, have been recorded as deferred revenues.

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

The Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the District holds for others in an agency capacity.

The Proprietary Funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred. The District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to the proprietary funds provided they do not conflict with or contradict GASB pronouncements.

B. Fund Accounting

The District maintains its accounting in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity, which stands separate from the activities reporting in other funds. The restrictions associated with each class of funds are as follows:

GOVERNMENTAL FUNDS

The funds through which most Board of Education functions are typically financed.

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

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

Debt Service Funds - The funds used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. According to the governmental accounting principles, the Debt Service Fund accounts for the payment of long-term debt for Governmental Funds only. Under Ohio law, the Debt Service Fund might also be used to account for the payment of debt for Proprietary Funds and the short-term debt of both Governmental and Proprietary Funds.

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

**Notes to the General-Purpose Financial Statements
June 30, 2000
(Continued)**

Capital Projects Funds - The funds 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).

PROPRIETARY FUNDS

The funds used to account for Board activities that are similar to business operations in the private sector. Proprietary Funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Proprietary fund measurement focus is upon determination of net income, financial position and cash flows.

Enterprise Funds - The funds used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

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

FIDUCIARY FUNDS

The funds used to account for assets not owned by the Board, but held for a separate entity.

Trust Funds - The funds used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include Expendable Trust Funds.

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

ACCOUNT GROUPS

General Fixed Assets - Fixed assets acquired or constructed for general governmental services are recorded as expenditures in the fund making the expenditures and capitalized at cost in the General Fixed Assets Account Group.

General Long-Term Obligations - This group of accounts is established to account for all long-term obligations of the District except those accounted for in the Proprietary Funds.

C. Budgetary Accounting

Budgets are adopted on a cash basis.

The District is required by State statute to adopt an annual appropriation budget for all funds. The Title VI-B Flow Thru Grant, Eisenhower Math-Science Grant, and Federal Preschool Grant special revenue funds pass through grants in which the Northwest Educational Service Center is the primary recipient. Budgetary information for these funds is included within the District's reporting

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

**Notes to the General-Purpose Financial Statements
June 30, 2000
(Continued)**

entity for which the "appropriated budget" is adopted, and the District does maintain separate budgetary records.

The specific timetable is as follows:

1. Prior to January 15, the Treasurer submits 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. A public hearing is publicized and conducted to obtain taxpayers' comments. The purpose of this Budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the Board adopted budget is filed with the County Budget Commission for rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources, which states the projected revenue of each fund. The annual appropriation measure (the true operating budget) is then developed at the fund, function and object level of expenditures, which are the legal levels of budgetary control.
4. A temporary appropriation measure to control cash disbursements may be passed on or about July 1 of each year for the period July 1 to September 30. An annual appropriation measure must be passed by October 1 of each year for a period July 1 to June 30. The appropriation measure may be amended or supplemented during the year, as new information becomes available. Appropriations may not exceed estimated resources.
5. The District maintains budgetary control by not permitting expenditures to exceed appropriations within each fund, function and object without approval of the Board of Education. The Board permits management to make discretionary budgetary adjustments within each fund, which are approved by the Board on a monthly basis. Any adjustments that alter the total fund appropriation require specific action of the Board.
6. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund level.

The District's budget (budget basis) for all funds accounts for certain transactions on a basis, which differs from generally accepted accounting principles (GAAP basis). The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash for budget purposes as opposed to when susceptible to accrual for GAAP purposes.
2. Expenditures and expenses are recorded when paid in cash or encumbered for budget purposes as opposed to when the liability is incurred for GAAP purposes.

An analysis of the difference between GAAP and budgetary basis for all governmental fund types and expendable trust fund for the year ended June 30, 2000 follows:

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

**Notes to the General-Purpose Financial Statements
June 30, 2000
(Continued)**

	Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses				
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
Budget Basis	\$12,614	(\$27,009)	\$69,626	(\$1,740)	\$1,148
Revenue Accruals	18,383	(3,964)	1,815	(17,496)	(551)
Expenditure Accruals	(150,915)	1,765	(1)	(750)	
Other Financing Sources (Uses)	(16,641)			17,496	
Reserve for Encumbrances	418,240	14,672		2,050	
GAAP Basis	\$281,681	(\$14,536)	\$71,440	(\$440)	\$597

D. Encumbrances

The District is required to use the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation. 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 appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated.

E. Cash and Investments

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

During the fiscal year 2000, investments were limited to Star Ohio, repurchase agreements, and certificates of deposit.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

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

Following Ohio statutes, the Board of Education has by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2000 amounted to \$173,124; which included \$22,506 assigned from other District funds; interest in the amount of \$6,321 was credited to other District funds.

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
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**Notes to the General-Purpose Financial Statements
June 30, 2000
(Continued)**

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

F. 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 consist of expendable supplies held for consumption. The cost has been recorded as an expenditure at the time individual inventory items were purchased. Reported inventories in these funds are equally offset by a fund balance reserve, which indicates they are unavailable for appropriation. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expended when used.

G. Property, Plant and Equipment

1. General Fixed Assets Account Group

General fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year in the General Fixed Assets Account Group. The cost 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. Interest incurred during construction of general fixed assets is also not capitalized. Contributed fixed assets are recorded at their fair market values as of the date donated. The District follows the policy of not capitalizing assets with a cost of less than \$250. This is based primarily on the uniqueness of these items to a school operation. No depreciation is recognized for asset in General Fixed Assets Account Group.

Public Domain ("infrastructure") general fixed assets consisting of curbs, gutters, sidewalks, drainage and lighting systems are not capitalized, as these assets are immovable and of value only to the government. The District does not have any infrastructure.

2. Proprietary Funds

Property plant and equipment reflected in the Proprietary Funds are stated at historical cost (or estimated historical cost) and updated for the cost of additions and retirements during the year. Contributed fixed assets are recorded at their fair market values as of the date donated. Depreciation has been provided for furniture, fixtures, and equipment on a straight line basis over an estimated useful life of seven to twenty years.

H. Intergovernmental Revenues

In governmental funds, entitlements and non-reimbursable grants 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. Grants for proprietary fund operations are recognized as revenue when measurable and earned. This District currently participates in various state and federal programs, categorized as follows:

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

**Notes to the General-Purpose Financial Statements
June 30, 2000
(Continued)**

Entitlements

General Fund

State Foundation Program
School Bus Purchase Reimbursement

Non-Reimbursable Grants

Special Revenue Funds

Drug Free Schools Grant
Title I
Title VI
Educational Management Information Systems (EMIS)
Teacher Development
Textbook/Instructional Materials Subsidy
State Energy Conservation Grant
Miscellaneous State Grants
Title VI-B
Eisenhower Grant
Preschool Disability Grant
School-To-Work Grant
Title VI-R FY2000
E-rate Grant

Capital Projects Fund

SchoolNet Plus
SchoolNet Professional Development Grant
Technology Equity
Emergency School Building Repair

Reimbursable Grants

General Fund

Driver Education Reimbursement
Vocational Education Equipment Fund

Enterprise Fund

National School Lunch Program
Government Donated Commodities

I. Interfund Transactions

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

1. Transfers of resources from one fund to another fund through which resources are to be expended are recorded as operating transfers.

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
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**Notes to the General-Purpose Financial Statements
June 30, 2000
(Continued)**

2. Reimbursements from one fund to another are treated as expenditures/expenses in the reimbursing fund and a reduction in expenditures/expenses in the reimbursed fund.
3. Short-term interfund loans are reflected as interfund receivables and interfund payables.

J. Total Columns on Financial Statements

Total columns on the financial statements are captioned "Totals (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. This information is not comparable to a consolidation. Interfund-type eliminations have not been made in the combining of the data.

K. Compensated Absences

The District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 16, "Accounting for Compensated Absences." In conformity with GASB Statement No. 16, the District accrues vacation as earned by its employees if the leave is attributable to past service and it is probable that the District will compensate the employees for the benefits through paid time or some other means, such as cash payments at termination or retirement.

Sick leave benefits are accrued as a liability using the vested method. The liability includes the employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the District's termination policy.

For governmental funds, the District provides a liability for unpaid accumulated sick leave and vacation time for eligible employees in the period the employees become eligible to receive payment. The current portion of unpaid compensated absences is the amount to be paid using expendable available resources and is reported as an accrued liability in the fund from which the individuals who have accumulated the unpaid compensated absences are paid. The balance of the liability is reported in the General Long-Term Obligations Account Group. In proprietary funds, compensated absences are expensed when earned. The entire amount of unpaid compensated absences is reported as a fund liability.

L. Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For the other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the General Long-Term Obligation Account Group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

M. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by statute to be set-aside by the District for the acquisition or construction of capital assets and to create a reserve for budget

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

**Notes to the General-Purpose Financial Statements
June 30, 2000
(Continued)**

stabilization. See Note 19 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

N. Fund Balance Reserves and Designations

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity, which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, inventories of supplies and materials, repayment of debt, interfund advances, property taxes, budget stabilization, capital acquisition and loans receivable.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures.

Designations represent tentative management plans which are subject to change. Designations have been established for monies set-aside for textbook purchases and capital improvements in excess of statutory requirements.

O. 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.

3. EQUITY IN POOLED CASH AND INVESTMENTS

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

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

Protection of District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

**Notes to the General-Purpose Financial Statements
June 30, 2000
(Continued)**

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.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures or any other 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 issuance 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. Bond 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) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio);

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

Cash on Hand:

At year end, the District had \$200 in undeposited cash on hand which is included on the balance sheet of the District as part of "equity in pooled cash and cash equivalents."

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

Deposits:

At the year end, the carrying amount of the District's deposits was \$1,408,001 and the bank balance was \$1,686,044. Of the bank balance:

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
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**Notes to the General-Purpose Financial Statements
June 30, 2000
(Continued)**

1. \$266,192 was covered by Federal Depository Insurance; and
2. \$1,419,852 was secured by pooled collateral that was held in the pledging financial institution's name. All State statutory requirements for the depositing of money had been followed.

Investments:

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

	Category 3	Carrying Amount	Fair Value
Repurchase Agreements	\$376,631	\$376,631	\$376,631
Investment in State Treasurer's Investment Pool		1,132,842	1,132,842
Total Investments	\$376,631	\$1,509,473	\$1,509,473

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

A reconciliation between the classifications of 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 are as follows:

	Cash and Cash Equivalents Deposits	Investments
GASB Statement No. 9	\$2,914,754	\$2,920
Cash on Hand	(200)	
Investments of the Cash Management Pool:		
Repurchase Agreements	(376,631)	376,631
State Treasurer's Investment Pool	(1,132,842)	1,132,842
Certificate of Deposit	2,920	(2,920)
GASB Statement No. 3	\$1,408,001	\$1,509,473

4. PROPERTY TAXES

Property taxes include amounts levied against real, public utility, and tangible property located within the District. All property is required to be reappraised every six years with a triennial update.

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
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**Notes to the General-Purpose Financial Statements
June 30, 2000
(Continued)**

Real property taxes, excluding public utility property, are assessed at 35 percent of appraised market value. Pertinent real property tax dates are:

Collection Dates	January and July of the current year
Lien Date	January 1 of the year preceding the collection year
Levy Date	April 1 of the year preceding the collection year

Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value.

The taxes are based on assessed values determined at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year. Pertinent tangible personal property tax dates are:

Collection Dates	April and September of the current year
Lien Date	January 1 of the current year
Levy Date	April 1 of the year preceding the collection year

Most public utility tangible personal property currently is assessed at 35 percent of its true value. Pertinent public utility tangible personal property tax dates are:

Collection Dates	January and July of the current year
Lien Date	December 31 of the second year preceding the collection year
Levy Date	April 1 of the year preceding the collection year

The County Treasurers collect real estate property taxes on behalf of all taxing districts within the Counties of the District. The County Auditors periodically remit to the District its portion of the taxes collected with final settlement in March and September.

The County Treasurers collect personal property taxes on behalf of all taxing districts within the Counties of the District. The County Auditors periodically remit to the District its portion of the taxes collected with final settlement in May and October.

Taxes receivable represent current and delinquent real property, tangible personal property, and public utility property taxes, which are measurable at June 30, 2000. These taxes are intended to finance the next fiscal year's operations, and are therefore offset by a credit to deferred revenue, except for the portion, which is available to advance as of June 30, 2000.

The assessed values of properties upon which property tax revenues were based are as follows:

	<u>Amount</u>
Residential/Agricultural	\$61,399,290
Commercial/Industrial	4,145,370
Public Utilities	9,085,000
General Personal Property	<u>15,338,571</u>
Total Valuation	<u>\$89,968,231</u>

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

**Notes to the General-Purpose Financial Statements
June 30, 2000
(Continued)**

5. FIXED ASSETS

A summary of changes in the General Fixed Assets Account Group is as follows:

Asset Category	Balance at 6/30/1999	Additions	Disposals	Balance at 06/30/2000
Land and Land Improvements	\$235,154	\$319,810		\$554,964
Buildings	9,535,836	213,875		9,749,711
Furniture, Fixtures and Equipment	2,044,802	303,109	\$160,775	2,187,136
Motor Vehicles	799,007	69,009	21,337	846,679
Text and Library Books	570,996	48,118		619,114
Totals	<u>\$13,185,795</u>	<u>\$953,921</u>	<u>\$182,112</u>	<u>\$13,957,604</u>

A summary of Enterprise Fund fixed assets at June 30, 2000 follows:

Asset Category	Balance at 06/30/00
Furniture and Equipment	\$159,851
Less: Accumulated Depreciation	<u>(82,714)</u>
Totals	<u>\$77,137</u>

6. LONG-TERM OBLIGATIONS

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

	Balance at 7/1/99	Additions	Deductions	Balance at 6/30/00
General obligation bonds	\$3,555,000		\$100,000	\$3,455,000
SERS and SERS surcharge	47,078	\$3,967		51,045
Employee benefit obligations	314,807		42,066	272,741
Total Long-Term Obligations	<u>\$3,916,885</u>	<u>\$3,967</u>	<u>\$142,066</u>	<u>\$3,778,786</u>

Debt outstanding at June 2000 consisted of General Obligation Bonds totaling \$3,455,000. The bonds were issued in March 1994 and will mature in December 2018. The interest rate at June 30, 2000 was 4.3 percent to 6.15 percent for the general obligation bonds.

Total expenditures for interest for the above debt for the period ended June 30, 2000 was \$207,223.

The scheduled payments of principal and interest on debt outstanding at June 30, 2000 are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2001	\$105,000	\$202,890	\$307,890
2002	110,000	198,185	308,185
2003	115,000	193,093	308,093
2004	120,000	187,628	307,628

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

**Notes to the General-Purpose Financial Statements
June 30, 2000
(Continued)**

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	125,000	180,963	305,963
thereafter	<u>2,880,000</u>	<u>1,417,267</u>	<u>4,297,267</u>
Total	<u>\$3,455,000</u>	<u>\$2,380,026</u>	<u>\$5,835,026</u>

7. COMPENSATED ABSENCES

Employees earn vacation at rates specified under State of Ohio law and based on credited service. Clerical, Technical, and Maintenance and Operation employees with one or more years of service are entitled to vacation ranging from 10 to 20 Days. Employees with less than one year of service earn no vacation. Certain employees are permitted to carry over vacation leave if approved by the Superintendent.

All employees are entitled to a sick leave credit equal to one and one-quarter days for each month of service (earned on a pro rata basis for less than full-time employees). This sick leave will either be absorbed by time off due to illness or injury or, within certain limitations, be paid to the employee upon retirement. The amount paid to an employee upon retirement is limited to one-fourth of the accumulated sick leave to a maximum of 50 days.

At June 30, 2000 the current amount of unpaid compensated absences in all funds, except for the proprietary funds, and the balance of the liability in the General Long-Term Obligation Account Group were \$36,585 and \$272,741, respectively. The liability for compensated absences in the proprietary funds at June 30, 2000 was \$13,233.

8. DEFINED BENEFIT PENSION PLANS

A. State Teachers Retirement System

The 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 includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 E. Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$203,108, \$195,498, and \$442,990 respectively; 84 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$31,488 representing the unpaid contribution for fiscal year 2000 is recorded as a liability within the respective funds.

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

**Notes to the General-Purpose Financial Statements
June 30, 2000
(Continued)**

B. School Employees Retirement System

The 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 District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$73,825, \$83,641, and \$121,757 respectively; 52 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$35,082 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.

9. POSTEMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly medicare premiums. Benefit provisions and the 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. For the year ended June 30, 2000, the Board allocated employer contributions to equal eight percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$270,811 during fiscal 2000.

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 6.3 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal 1999, the minimum pay has been established as \$12,400. The surcharge, added to the

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

**Notes to the General-Purpose Financial Statements
June 30, 2000
(Continued)**

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 150 percent of annual health care expenses. Expenses for health care at June 30, 1999 were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$188 million. SERS has approximately 51,000 participants currently receiving health care benefits. For the District, the amount to fund health care benefits, including the surcharge, equaled \$78,703 during the 2000 fiscal year.

10. RISK MANAGEMENT

A. Comprehensive

The District maintains comprehensive insurance coverage with private carriers for liability, real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. In addition, real property contents are fully insured.

Settled claims have not exceeded this commercial coverage in any of the past three years, and there has been no significant reduction in insurance coverage from last year.

B. Employee Insurance Benefits Program

The District participates in the Northern Buckeye Education Council Employee Insurance Benefits Program (the Program), a public entity shared risk pool consisting of school districts within Defiance, Fulton, Henry, and Williams Counties and other eligible governmental entities. The District pays monthly premiums to the Northern Buckeye Education Council for the benefits offered to its employees, which includes health, dental, and life insurance plans. Northern Buckeye Education Council is responsible for the management and operations of the program. The agreement for the Program provides for additional assessments to participants if the premiums are insufficient to pay the program costs for the fiscal year. Upon withdrawal from the Program, a participant is responsible for any claims not processed and paid and any related administrative costs.

C. Worker's Compensation Group Program

The District participates in the Northern Buckeye Education Council Workers' Compensation Group Rating Plan (the Plan), an insurance purchasing pool. The Plan is intended to reduce premiums for the participants. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate.

Participation in the Plan is limited to educational entities that can meet the Plan's selection criteria. Each participant must apply annually. The Plan provides the participants with a centralized program for the processing, analysis and management of workers' compensation claims and a risk management program to assist in developing safer work environments. Each participant must pay its premiums, enrollment or other fees, and perform its obligations in accordance with the terms of the agreement.

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

**Notes to the General-Purpose Financial Statements
June 30, 2000
(Continued)**

11. ENTERPRISE FUNDS SEGMENT INFORMATION

The District maintains two Enterprise Funds, which provide lunchroom/cafeteria and uniform school supply services. Segment information for the year ended June 30, 2000 was as follows:

	Lunchroom/ Cafeteria	Uniform School Supplies	Total Enterprise Funds
Operating revenues	\$240,250	\$6,668	\$246,918
Depreciation	11,300		11,300
Operating (loss)	(87,824)	(1,161)	(88,985)
Donated commodities	30,127		30,127
Interest	3,528		3,528
Grants	43,146		43,146
Loss on Sale of Fixed Assets	(778)		(778)
Operating transfers in		1,000	1,000
Net loss	(11,801)	(161)	(11,962)
Fixed Assets - Deletions	4,568		4,568
Net working capital	45,538	3,868	49,406
Total assets	178,992	3,868	182,860
Total liabilities	56,317		56,317
Total equity	122,675	3,868	\$126,543

12. JOINTLY GOVERNED ORGANIZATIONS

A. Northwest Ohio Computer Association

The District is a participant in the Northwest Ohio Computer Association (NWOCA). NWOCA is an association of public school districts within the boundaries of Defiance, Fulton, Henry, and Williams 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. NWOCA is governed by the Northern Buckeye Education Council and its participating members. Total fees paid by the District to NWOCA during this fiscal year were \$40,578. Financial information can be obtained from Cindy Siler, who serves as Treasurer, at 22-900 State Route 34, Archbold, Ohio 43502.

B. Northern Buckeye Education Council

The Northern Buckeye Education Council (NBEC) was established in 1979 to foster cooperation among various educational entities located in Defiance, Fulton, Henry, and Williams counties. NBEC is organized under Ohio laws as a regional council of governments pursuant to a written agreement entered into by its member educational entities and bylaws adopted by the representatives of the member educational entities. NBEC is governed by an elected Board consisting of two representatives from each of the four counties in which the member educational entities are located. The Board is elected from an Assembly consisting of a representative from each participating educational entity. Total disbursements made by the District to NBEC for GAAP conversion services during this fiscal year were \$2,750. To obtain financial information write to the Northern Buckeye Education Council, Cindy Siler, who serves as Treasurer, at 22-900 State Route 34, Archbold, Ohio 43502.

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

**Notes to the General-Purpose Financial Statements
June 30, 2000
(Continued)**

C. Four County Career Center

The Four County Career Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of five representatives from the Northwest Ohio Educational Service Center - one each from the counties of Defiance, Fulton, Henry, and Williams and one additional representative; one representative from each of the city school districts; one representative from each of the exempted village school districts. The Four County Career Center possesses its own budgeting and taxing authority. To obtain financial information write to the Four County Career Center, Lois Knuth, who serves as Treasurer, at Route 1, Box 245A, Archbold, Ohio 43502.

D. Northwestern Ohio Educational Research Council, Inc.

The Northwestern Ohio Educational Research Council, Inc. (NOERC) is a jointly governed organization formed to bring educational entities into a better understanding of their common educational problems, facilitate and conduct practical educational research, coordinate educational research among members, provide a means for evaluating and disseminating the results of research, serve as a repository for research and legislative materials, and provide opportunities for training. The NOERC serves a twenty-five county area in Northwest Ohio. The Board of Directors consists of superintendents from two educational service centers, two exempted village school districts, five local school districts, and five city school districts, as well as representatives from two private or parochial schools and three institutions of higher education. Each active member is entitled to one vote on all issues addressed by the Board of Directors. Financial information can be obtained from the Northwestern Ohio Educational Research Council, Inc., Box 456, Ashland, Ohio 44805.

13. RELATED ORGANIZATION

Liberty Center Public Library

The Liberty Center Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Liberty Center Local School District Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires, and fires personnel, and does not depend on the District for operational subsidies. Although the District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Liberty Center Public Library, Connie Busch, Clerk/Treasurer, at 111 East Street, Liberty Center, Ohio 43532.

14. GROUP PURCHASING POOLS

A. NBEC Employee Insurance Benefits Program

Northern Buckeye Education Council Employee Insurance Benefits Program (the Pool) is a public entity shared risk pool consisting of educational entities located in Defiance, Fulton, Henry, and Williams counties. The Pool is governed by the Northern Buckeye Education Council and its participating members. Total disbursements made by the District to NBEC for employee insurance benefits during this fiscal year were \$450,422. Financial information can be obtained

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

**Notes to the General-Purpose Financial Statements
June 30, 2000
(Continued)**

from Northern Buckeye Education Council, Cindy Siler, who serves as Treasurer, at 22-900 State Route 34, Archbold, Ohio 43502.

B. NBEC Workers' Compensation Group Rating Plan

The District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Northern Buckeye Education Council Workers' Compensation Group Rating Plan (WCGRP) was established through the Northern Buckeye Education Council (NBEC) as an insurance purchasing pool. The WCGRP is governed by the Northern Buckeye Education Council and the participating members of the WCGRP. The Executive Director of the NBEC coordinates the management and administration of the program. During this fiscal year, the District paid an enrollment fee of \$752 to the WCGRP to cover the costs of administering the program.

15. SCHOOL FUNDING DECISION

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

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

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

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of January 15, 2002, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

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

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

16. SCHOOL DISTRICT INCOME TAX

In 1995, the voters of the Liberty Center Local School District passed a 1 percent school income tax on wages earned by residents of the District. The taxes are collected by the State Department of Taxation in the same manner as the state income tax. In the fiscal year ending June 30, 2000, the District recorded income tax revenue of \$837,936 in the General Fund, of which \$304,805 is recorded as a receivable at June 30, 2000.

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

**Notes to the General-Purpose Financial Statements
June 30, 2000
(Continued)**

6. INTERFUND TRANSACTIONS

Interfund balances at June 30, 2000 consist of the following individual fund receivables and payables:

	Receivable	Payable
General Fund	\$7,200	
Capital Projects Funds:		
American Disabilities Act Grant Fund		\$7,200
Total All Funds	\$7,200	\$7,200

Transfers between funds during the year ended June 30, 2000, were as follows:

	Transfers In	Transfers Out
General Fund	\$948	\$77,652
Special Revenue Funds:		
Management Information System Fund	15,000	
Capital Projects Funds:		
American Disabilities Act Grant Fund	61,652	
Enterprise Funds:		
Uniform School Supplies Fund	1,000	
Agency Funds:		
Student Activities Fund		948
Total All Funds	\$78,600	\$78,600

7. CONTRACTUAL COMMITMENTS

During 2000, the District entered into a contract with Vernon Nagel Excavating to complete Phase I and II of the spring sports complex in the amount of \$490,876. At June 30, 2000, \$113,832 had been paid to Vernon Nagel Excavating, by the District, leaving a remaining balance of \$377,044.

19. SET-ASIDE CALCULATIONS AND FUND RESERVES

The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years. The District is also required to set aside money for budget stabilization.

The following cash basis information describes the change in the year-end set-aside amounts for textbooks, capital acquisition, and budget stabilization. Disclosure of this information is required by State statute.

**LIBERTY CENTER LOCAL SCHOOL DISTRICT
HENRY COUNTY**

**Notes to the General-Purpose Financial Statements
June 30, 2000
(Continued)**

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>	<u>Totals</u>
Set-aside Cash Balance as of June 30, 1999			\$71,481	
Current Year Set-aside Requirement	\$171,010	\$171,010	42,522	
Current Year Offsets				
Qualifying Disbursements	<u>(193,118)</u>	<u>(113,832)</u>		
Set-aside Balance as of June 30, 2000	<u>(\$22,108)</u>	<u>\$57,178</u>	<u>\$114,003</u>	
Amount restricted for Capital Acquisition				\$57,178
Amount restricted for Budget Stabilization				<u>114,003</u>
Total Restricted Assets				<u>\$171,181</u>

Although the District had offsets and qualifying disbursements during the year that reduced the set-aside amounts to below zero, these extra amounts may not be used to reduce the set-aside requirements of future years.

20. PRIOR PERIOD ADJUSTMENT

Loans made from the H.B. Romaker Scholarship Fund, an Expendable Trust fund, were not recognized in 2000. These loans had been previously omitted from the District's financial statements. The effect of this prior period adjustment on the fund balance and excess of revenues and other sources over expenditures and other uses of the Expendable Trust fund type is as follows:

<u>Expendable Trust Fund</u>	<u>Fund Balance</u>	<u>Excess of Revenues and Other Sources over Expenditures and Other Uses</u>
Amount as previously reported as of, and for the year ended June 30, 1999	\$3,457	\$411
Prior Period Adjustment	<u>2,250</u>	<u>(250)</u>
Restated Amount	<u>\$5,707</u>	<u>\$161</u>

21. COMPLIANCE

At June 30, 2000, the Title I fund had a deficit fund balance of \$2,797, which was created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however this is done when cash is needed rather than when accruals occur.

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

Liberty Center Local School District
Henry County
103 West Young Street
P.O. Box 434
Liberty Center, Ohio 43532-0434

To the Board of Education:

We have audited the financial statements of Liberty Center Local School District (the District) as of and for the year ended June 30, 2000, and have issued our report thereon dated January 15, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

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

This report is intended for the information and use of the audit committee, management and the Board of Education, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

January 15, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

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LIBERTY CENTER LOCAL SCHOOL DISTRICT

HENRY 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 12, 2002**