

GARY B. FINK & ASSOCIATES, INC.

CERTIFIED PUBLIC ACCOUNTANTS

STARK STATE COLLEGE OF TECHNOLOGY

INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 1999

**Professional Accountants
for
Professional Government**

STARK STATE COLLEGE OF TECHNOLOGY

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STATE OF OHIO
OFFICE OF THE AUDITOR

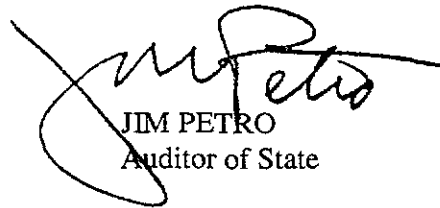
JIM PETRO, AUDITOR OF STATE

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Board of Trustees
Stark State College of Technology
Canton, Ohio

We have reviewed the Independent Auditor's Report of the Stark State College of Technology, Stark County, prepared by Gary B. Fink & Associates, Inc., for the audit period July 1, 1998 to June 30, 1999. 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 Stark State College of Technology is responsible for compliance with these laws and regulations.


JIM PETRO
Auditor of State

January 10, 2000

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Stark State College of Technology
6200 Frank Avenue NW
Canton, Ohio 44720

We have audited the accompanying balance sheet of Stark State College of Technology as of and for the year ended June 30, 1999 and the related statement of changes in fund balances and statement of current funds revenues, expenditures and other changes for the year then ended. These financial statements are the responsibility of the Stark State College of Technology's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Stark State College of Technology, as of June 30, 1999 and the changes in its fund balances and its current funds revenues, expenditures and other changes for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 1999 on our consideration of the Stark State College of Technology's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

As discussed in Note 2 to the financial statements, the Stark State College of Technology changed its method of accounting for Internal Revenue Code Section 457 deferred compensation plans for the year ended June 30, 1999, as required by the provisions of GASB Statement No. 32.

INDEPENDENT AUDITOR'S REPORT (continued)

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



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

October 28, 1999

FINANCIAL STATEMENTS

**STARK STATE COLLEGE OF TECHNOLOGY
BALANCE SHEET
JUNE 30, 1999**

ASSETS

CURRENT FUNDS:

Unrestricted:

Educational and General:

Investments	\$3,959,806
Accounts Receivable, Less Allowance of \$233,256 in 1999	2,794,251
Insurance Reserve	443,719
Inventories at Cost	1,406
Prepaid Expenses and Deferred Charges	325,973
Due from Restricted Educational and General	118,821
Due from Plant Funds	<u>203,671</u>

Total Educational and General 7,847,647

Auxiliary Enterprises:

Cash	750
Accounts Receivable, Less Allowance of \$9,541 in 1999	179,702
Prepaid Expenses and Deferred Charges	62,286
Inventories at Cost	220,476
Due from Educational and General	<u>10,188</u>

Total Auxiliary Enterprises 473,402

Total Unrestricted 8,321,049

Restricted:

Investments	11,267
Accounts Receivable	161,429
Prepaid Expenses and Deferred Charges	<u>226,645</u>

Total Restricted 399,341

Total Current Funds \$8,720,390

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

STARK STATE COLLEGE OF TECHNOLOGY
 BALANCE SHEET
 JUNE 30, 1999

ASSETS

ENDOWMENT FUNDS:

Investments	<u>\$435,095</u>
Total Endowment Funds	<u>435,095</u>

PLANT FUNDS:

Unexpended:

State Appropriations Receivable	239,396
Prepaid Expenses	346
Investments	<u>129,902</u>
Total Unexpended	<u>369,644</u>

Renewals and Replacements:

Investments	<u>121,088</u>
Total Renewals and Replacements	<u>121,088</u>

Investment in Plant (at cost):

Land	531,105
Improvements, Roads	1,239,326
Buildings	28,046,090
Movable Equipment, Furniture, Films and Library Books	<u>9,858,177</u>
Total Investment in Plant	<u>39,674,698</u>

Total Plant Funds	<u>40,165,430</u>
-------------------	-------------------

AGENCY FUNDS:

Cash and Investments	60,434
Accounts Receivable	9,977
Due from Unrestricted Educational and General	<u>194,933</u>
Total Agency Funds	<u>\$265,344</u>

STARK STATE COLLEGE OF TECHNOLOGY
BALANCE SHEET
JUNE 30, 1999

LIABILITIES AND FUND BALANCES

CURRENT FUNDS:

Unrestricted:

Education and General:

Accounts Payable	\$247,257
Salaries and Wages Payable	783,603
Accrued Liabilities	405,034
Deferred Income	2,549,680
Insurance Claims Payable	178,748
Accrued Vacation Benefits Payable	78,647
Accrued Sick Benefits Payable	295,436
Installment Purchase Agreements	22,740
Due to Agency Funds	194,933
Due to Auxiliary Enterprises	10,188
Fund Balances:	
Allocated	543,009
Unallocated	<u>2,538,372</u>

Total Educational and General 7,847,647

Auxiliary Enterprises:

Accounts Payable	65,734
Accrued Liabilities	13,568
Accrued Sick Benefits Payable	3,651
Fund Balances - Unallocated	<u>390,449</u>

Total Auxiliary Enterprises 473,402

Total Unrestricted 8,321,049

Restricted:

Accounts Payable	93,323
Accrued Liabilities	34,220
Due to Unrestricted Educational and General	118,821
Fund Balances	<u>152,977</u>

Total Restricted 399,341

Total Current Funds \$8,720,390

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

**STARK STATE COLLEGE OF TECHNOLOGY
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1999**

	Current Funds		
	Unrestricted		
	Educational and General	Auxiliary Enterprises	Total Unrestricted
REVENUES AND OTHER ADDITIONS:			
Unrestricted Current Fund Revenues	\$18,141,831	\$1,638,164	\$19,779,995
State Appropriations - Restricted	0	0	0
Federal Grants and Contracts - Restricted	0	0	0
State Grants and Contracts - Restricted	0	0	0
Local Grants and Contracts - Restricted	0	0	0
Private Gifts, Grants and Contracts - Restricted	0	0	0
Investment Income - Restricted	0	0	0
Endowment Income - Restricted	0	0	0
Expended for Plant Facilities (including \$562,455 charged to current funds expenditures)	0	0	0
Total Revenues and Other Additions	18,141,831	1,638,164	19,779,995
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and General Expenditures	17,752,955	0	17,752,955
Auxiliary Enterprises Expenditures	0	1,530,234	1,530,234
Indirect Costs Recovered	0	0	0
Refunded to Grantor	0	0	0
Expended for Plant Facilities	0	0	0
Loss on Investment	0	0	0
Disposal and Write-Offs of Plant Facilities	0	0	0
Total Expenditures and Other Deductions	17,752,955	1,530,234	19,283,189
TRANSFERS AMONG FUNDS - ADDITIONS/(DEDUCTIONS):			
Nonmandatory Transfers			
Plant Funds	(288,160)	0	(288,160)
Auxiliary Enterprises	2,000	(2,000)	0
Total Transfers	(286,160)	(2,000)	(288,160)
Net Increase/(Decrease) for the Year	102,716	105,930	208,646
Fund Balance at Beginning of Year	2,435,656	284,519	2,720,175
Fund Balance at End of Year	\$2,538,372	\$390,449	\$2,928,821

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

Educational and General	Restricted		Total Current Funds	Endowment Funds	Plant Funds		
	Auxiliary Enterprises	Total Restricted			Unexpended	Renewals and Replacements	Investment In Plant
\$0	\$0	\$0	\$19,779,995	\$0	\$0	\$0	\$0
108,494	0	108,494	108,494	0	1,283,052	0	0
2,699,172	13,834	2,713,006	2,713,006	0	0	0	0
962,419	0	962,419	962,419	0	0	0	0
9,996	0	9,996	9,996	0	0	0	0
211,887	0	211,887	211,887	0	80,831	0	265,505
546	0	546	546	8,889	6,534	0	0
12,810	0	12,810	12,810	0	0	0	0
0	0	0	0	0	0	0	1,986,906
4,005,324	13,834	4,019,158	23,799,153	8,889	1,370,417	0	2,252,411
4,025,471	0	4,025,471	21,778,426	0	0	0	0
0	13,834	13,834	1,544,068	0	0	0	0
52,163	0	52,163	52,163	0	0	0	0
67,118	0	67,118	67,118	0	0	0	0
0	0	0	0	0	1,879,486	0	0
0	0	0	0	0	326	0	0
0	0	0	0	0	0	0	977,309
4,144,752	13,834	4,158,586	23,441,775	0	1,879,812	0	977,309
0	0	0	(288,160)	0	288,160	0	0
0	0	0	0	0	0	0	0
0	0	0	(288,160)	0	288,160	0	0
(139,428)	0	(139,428)	69,218	8,889	(221,235)	0	1,275,102
292,405	0	292,405	3,012,580	426,206	316,489	121,088	38,256,285
\$152,977	\$0	\$152,977	\$3,081,798	\$435,095	\$95,254	\$121,088	\$39,531,387

STARK STATE COLLEGE OF TECHNOLOGY
STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES
AND OTHER CHANGES
FOR THE YEAR ENDED JUNE 30, 1999

	Unrestricted		
	Educational and General	Auxiliary Enterprises	Total Unrestricted
REVENUES:			
Tuition, Fees and Other Student Charges	\$8,067,833	\$0	\$8,067,833
State Appropriations	9,146,862	0	9,146,862
Federal Grants and Contracts	21,096	0	21,096
State Grants and Contracts	4,212	0	4,212
Local Grants and Contracts	0	0	0
Private Gifts, Grants and Contracts	512,623	0	512,623
Endowment Income	0	0	0
Sales and Services	2,198	1,632,727	1,634,925
Other Sources	387,007	5,437	392,444
Total Revenues	18,141,831	1,638,164	19,779,995
EXPENDITURES:			
Educational and General:			
Instructional and Departmental Research	8,701,826	0	8,701,826
Separately Budgeted Research	0	0	0
Public Service	1,235,580	0	1,235,580
Academic Support	1,437,152	0	1,437,152
Student Services	1,414,699	0	1,414,699
Institutional Support	3,151,295	0	3,151,295
Operation and Maintenance of Plant	1,663,958	0	1,663,958
Scholarships and Other Student Aid	148,445	0	148,445
Total Educational and General Expenditures	17,752,955	0	17,752,955
Auxiliary Enterprises	0	1,530,234	1,530,234
Total Expenditures	17,752,955	1,530,234	19,283,189
NONMANDATORY TRANSFERS AND OTHER ADDITIONS/(DEDUCTIONS):			
Nonmandatory Transfers:			
Plant Funds	(288,160)	0	(288,160)
Support from Auxiliary Enterprises	2,000	(2,000)	0
Indirect Costs Recovered	0	0	0
Refunded to Grantor	0	0	0
Excess of Transfers to Revenue Over Restricted Receipts	0	0	0
Total Transfers	(286,160)	(2,000)	(288,160)
Net Increase/(Decrease) in Fund Balance	\$102,716	\$105,930	\$208,646

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

Educational and General	Restricted		Total Current Funds
	Auxiliary Enterprises	Total Restricted	
\$0	\$0	\$0	\$8,067,833
122,271	0	122,271	9,269,133
2,644,259	13,834	2,658,093	2,679,189
962,419	0	962,419	966,631
9,996	0	9,996	9,996
272,505	0	272,505	785,128
14,021	0	14,021	14,021
0	0	0	1,634,925
0	0	0	392,444
4,025,471	13,834	4,039,305	23,819,300
164,609	0	164,609	8,866,435
138,881	0	138,881	138,881
296,144	0	296,144	1,531,724
116,069	0	116,069	1,553,221
117,432	0	117,432	1,532,131
8,354	0	8,354	3,159,649
4,136	0	4,136	1,668,094
3,179,846	0	3,179,846	3,328,291
4,025,471	0	4,025,471	21,778,426
0	13,834	13,834	1,544,068
4,025,471	13,834	4,039,305	23,322,494
0	0	0	(288,160)
0	0	0	0
(52,163)	0	(52,163)	(52,163)
(67,118)	0	(67,118)	(67,118)
(20,147)	0	(20,147)	(20,147)
(139,428)	0	(139,428)	(427,588)
(\$139,428)	\$0	(\$139,428)	\$69,218

STARK STATE COLLEGE OF TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 1999

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Accrual Basis - The financial statements of Stark State College of Technology (the "College") have been prepared on the accrual basis except that depreciation is not provided on the physical plant and equipment. The statements of current funds revenues, expenditures and other changes is a statement of financial activity of current funds related to the current reporting period. It does not intend to present the result of operations or the net income or loss for the period as would a statement of income or statement of revenues and expenses.

To the extent that current funds are used to finance plant assets, the amount so provided are accounted for as (1) expenditures, in the case of normal replacement of movable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt amortization and interest and equipment renewal and replacement; and (3) transfers of a non-mandatory nature for all other cases.

- B. Fund Accounting - In order to ensure observance of limitations and restrictions placed on the use of the resources available to the College, the accounts of the College are maintained in accordance with the principles of fund accounting and Government Accounting and Financial Reporting Standards. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund groups described as follows:

Current Funds

This group accounts for all funds which are available for current operations. It is further subdivided into three separately balanced groups: General Funds, which are unrestricted and available for general operating purposes; Auxiliary Enterprise Funds, which are available for the operation of enterprises primarily for service to students and staff and which are intended to be self-supporting; and Restricted Funds, which are available for current operating purposes but only in compliance with restrictions specified by the donors or grantors. Additions to Current Restricted Funds are considered as earned income only to the extent expenditures are made for the restricted purposes specified.

Endowment and Similar Funds

This group accounts for funds whose principal is generally non-expendable and that are intended to be invested to provide earnings for institutional use. The designated use of these earnings is established by the donor or the College depending upon the type of endowment fund. These funds are traditionally used for student loans, scholarships and departmental support.

STARK STATE COLLEGE OF TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Plant Funds

This group accounts for funds which have been received or appropriated for the purpose of acquiring, constructing or improving the physical property of the College. It is further subdivided into three separately balanced groups: Unexpended Plant Funds, Funds for Renewals and Replacements and Investment in Plant.

Agency Funds

This group accounts for funds that are received by the College acting in a depository capacity. They are disbursed only on the instructions and on behalf of the person or organization from whom they were received.

Within each fund group, fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes by action of the governing board. Externally restricted funds may be utilized only in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which the governing board retains full control to use in achieving any of its institutional purposes.

Endowment funds are subject to the restrictions of gift instruments requiring in perpetuity that the principal be invested and the income only be utilized. Term endowment funds are similar to endowment funds except that upon the passage of a stated period of time or the occurrence of a particular event, all or part of the principal may be expended, while quasi-endowment funds have been established by the governing board for the same purposes as endowment funds, any portion of quasi-endowment funds may be expended.

All gains and losses arising from the sale, collection or other disposition of investments or other noncash assets are accounted for in the fund which owned such assets. Ordinary income derived from investments, receivables and the like is accounted for in the fund owning such assets, except for income derived from investments of endowment and similar funds which income is accounted for in the fund to which it is restricted or, if unrestricted, as revenues in unrestricted current funds.

All other unrestricted revenue is accounted for in the unrestricted current fund. Restricted gifts, grants, appropriations, endowment income and other restricted resources are accounted for in the appropriate restricted funds. Restricted current funds are reported as revenues and expenditures when expended for current operating purposes.

- C. Deferred Amounts - In accordance with the State of Ohio policy of recording instructional revenues and expenses in the year in which the courses are primarily conducted, the College defers certain revenues and expenses at June 30 that are applicable to courses conducted during the following summer.

STARK STATE COLLEGE OF TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- D. Investments - 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 are reported at cost.

During fiscal year 1999, investments were limited to STAR Ohio, repurchase agreements and donated stock.

- E. Inventories - Inventory consists principally of merchandise in the College's bookstore which is valued at cost on a first-in, first-out basis.

- F. Investment in Plant - Land and improvements, buildings, equipment and library books are stated at cost or fair market value at the date of gift. Depreciation on physical plant and equipment is not recorded.

- G. Compensated Absences

GASB Statement No. 16 specifies that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met.

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Other compensated absences with characteristics similar to vacation leave are those which are not contingent on a specific event outside the control of the employer and employee.

Further, sick leave and other similar compensated absences are those which are contingent on a specific event that is outside the control of the employer and employee. The College has accrued a liability for these compensated absences using the termination method when the following criterion is met.

1. The benefits are earned by the employees and it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' retirement ("termination payments").

The sick leave liability has been based on the College's past experience of making termination payments for sick leave.

STARK STATE COLLEGE OF TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 1999

2. CHANGE IN ACCOUNTING PRINCIPAL AND RESTATEMENTS

For 1999, the College has implemented GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans" for its deferred compensation plan through the Ohio Public Employees Deferred Compensation Program. On September 1, 1998, Ohio Public Employees Deferred Compensation Program created a trust for the assets of the plan for which the College has no fiduciary responsibility. Therefore, the balance of \$1,245,532 has been removed from the deferred compensation agency fund, and is no longer presented as part of the College's financial statements.

The College is the fiscal agent/custodian for the Stark State College Foundation (the "Foundation"). In previous years, the College reported investments in its agency fund that were in custody of the Foundation. The investment of \$762,168 has been removed from the agency fund and is no longer presented as part of the College's financial statements.

3. CASH AND INVESTMENTS

A. Policies and Practices

It is the responsibility of the Business and Finance Department to deposit and invest the College's idle funds. The College's practice is to limit investments to U.S. Treasury notes and bills, collateralized certificates of deposit and repurchase agreements, insured and/or collateralized demand deposit accounts or obligations of other U.S. agencies for which the principal and interest is guaranteed by the U.S. Government. The College does not enter into reverse repurchase agreements.

The investment and deposit of College monies is governed by the Ohio Revised Code. In accordance with the Ohio Revised Code, only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits. Also, the investment of the College's monies is restricted to certificates of deposit, savings accounts, money market accounts and the state treasurer's investment pool (STAR Ohio), obligations of the United States Government or certain agencies thereof and certain industrial revenue bonds issued by other governmental entities. The College may also enter into repurchase agreements with any eligible depository for a period not exceeding thirty days. Public depositories must give security for all public funds on deposit. These institutions may specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities the face value of which is at least 110 percent of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for the public deposits and investments to be maintained in the College's name.

STARK STATE COLLEGE OF TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

3. CASH AND INVESTMENTS (continued)

During the year ended June 30, 1999 the College complied with the provisions of these statutes pertaining to the types of investments held and the institutions in which deposits were made. At June 30, 1999, the College was also in compliance with the provisions of the statutes concerning security requirements. The College will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

B. Deposits

At June 30, 1999, the reported amount of the College's deposits, including \$1,650 of petty cash, was \$40,155 while the bank balance was \$186,562. Of the bank balance, \$100,000 was covered by federal depository insurance and \$86,562 was uninsured and uncollateralized as defined by the Governmental Accounting Standards Board Statement No. 3 because the collateral pledged by the financial institution or their trust departments or agents is not in the College's name.

C. Investments

The College's investments are categorized below to give an indication of the level of risk assumed at year-end. Category 1 includes investments that are insured or registered for which the securities are held by the College or its agents in the College's name. Category 2 includes uninsured and unregistered investments which are held by the counterparties trust department or agent in the College's name. Category 3 includes uninsured and unregistered investments which are held by the counterparty, or by its trust department or agent, but not in the College's name.

	<u>1</u>	Category <u>2</u>	<u>3</u>	Fair Market Value
Overnight Repurchase Agreements	<u>-0-</u>	<u>-0-</u>	<u>\$331,120</u>	<u>\$ 331,120</u>
	<u>-0-</u>	<u>-0-</u>	<u>\$331,120</u>	<u>331,120</u>
Corporate Stock				458
STAR Ohio				4,329,486
Agency Fund Investments				<u>17,123</u>
Total Investments				<u>\$4,678,187</u>

STARK STATE COLLEGE OF TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

3. CASH AND INVESTMENTS (continued)

The College has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during the fiscal year ended June 30, 1999. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 1999.

4. STATE SUPPORT

Stark State College of Technology is a state-assisted institution of higher education which receives a student-based subsidy from the state of Ohio. The subsidy is determined annually based upon a formula devised by the Ohio Board of Regents.

In addition to the student subsidies, the state of Ohio provides the funding for and constructs major plant facilities on the College's campus. The funding is obtained from the issuance of revenue bonds by the Ohio Public Facilities Commission, which in turn causes the construction and subsequent lease of the facility by the Ohio Board of Regents. Upon completion of the facility, the Board of Regents turns over control to the College. Construction in progress for any portion of the facilities being financed by the state agencies for use by the College is recorded on the College's book of account as costs are incurred.

The facilities are not pledged as collateral for the revenue bonds. Instead, the bonds are supported by a pledge of monies in the Higher Education Bond Service Fund established in the custody of the Treasurer of State. If sufficient monies are not available from this fund, a pledge exists to assess a special student fee uniformly applicable to students in state-assisted institutions of higher education throughout the state.

Outstanding debt issued by the Ohio Public Facilities Commission is not included on the College's balance sheet. In addition, the appropriations by the Ohio General Assembly to the Board of Regents for payment of debt services are not shown as appropriation revenue received by the College, and the related debt service payments are not recorded on the College's financial statements.

5. DEFINED BENEFIT PENSION PLANS

Employees and Plans

All employees of Stark State College of Technology are eligible to participate in one of two cost-sharing, multiple employer pension plans administered by the State. Academic personnel participate in the State Teachers' Retirement System (STRS) and nonacademic personnel participate in the Public Employee' Retirement System (PERS).

STARK STATE COLLEGE OF TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

5. DEFINED BENEFIT PENSION PLANS (continued)

A. State Teachers Retirement System

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

Plan members are required to contribute 9.3 percent of their annual covered salary and the College is required to contribute 14 percent; 10.5 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The College's contributions to STRS for the years ended June 30, 1999, 1998 and 1997 were \$1,089,720, \$1,031,273 and \$896,885, respectively, equal to the required contribution for each year.

B. Public Employees Retirement System Of Ohio

Stark State College of Technology contributes to the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the College is required to contribute 13.31 percent. Contributions are authorized by state statute. The contribution rates are determined actuarially. The College's required contributions to PERS for the years ended June 30, 1999, 1998 and 1997 were \$540,559, \$521,457 and \$503,296, respectively, equal to the required contribution for each year.

STARK STATE COLLEGE OF TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

6. OTHER POSTEMPLOYMENT BENEFITS

A. State Teachers Retirement System

1. The State Teachers Retirement System (STRS) provides comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physician fees, prescription drugs and reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Ohio Revised Code (ORC), the State Teachers Retirement Board has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. All benefit recipient are required to pay a portion of the health care cost in the form of a monthly premium.
2. The ORC grants authority to STRS to provide health care coverage to benefit recipients, spouses and dependents. By Ohio law, the cost of the coverage paid from STRS fund shall be included in the employer contribution rate, currently 14% of covered payroll.
3. The Board currently allocates employer contributions equal to 2% of covered payroll to a Health Care Reserve Fund from which health care benefits are paid. However, the Health Care Reserve Fund allocation for the year ended June 30, 1998 was 3.5% of covered payroll. The balance in the Health Care Reserve Fund was \$2,156 million at June 30, 1998 (the latest information available). The Health Care Reserve Fund allocation for the year ended June 30, 1999 was 8% of covered payroll.
4. For the year ended June 30, 1998, net health care costs paid by STRS were \$219,224,000. There were 91,999 eligible benefit recipients.

B. Public Employees Retirement System of Ohio

1. Public Employees Retirement System of Ohio provides postretirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 1998 employer contribution rate for Stark State College of Technology was 13.31% of covered payroll; 4.2% was the portion that was used to fund health care for the year.
2. The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to PERS.

STARK STATE COLLEGE OF TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

6. OTHER POSTEMPLOYMENT BENEFITS (continued)

3. OPEB are financed through employer contributions and investment earnings there on. The contributions allocated to retiree health care and Medicare, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely.
4. Expenditures for OPEB during 1998 were \$440,596,663. As of December 31, 1998, the unaudited estimated net assets available for future OPEB payments were \$9,447,325,318. The number of benefit recipients eligible for OPEB at December 31, 1998 was 115,579
5. During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

7. STATE APPROPRIATIONS RECEIVABLE

State appropriations receivables are subject to budgetary requirements of the State of Ohio and therefore, may not be fully realized.

8. CONTINGENCIES, CLAIMS AND JUDGEMENTS

A. Federal and State Grants

The College participates in certain state and federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. In the opinion of the College, no material grant disbursements will be disallowed.

9. RISK MANAGEMENT

The College is a member of the Stark County Schools Council of Governments which was established to provide a partially self-funded health benefits program to its members. The College pays a monthly premium to the Council of Government for its health care coverage. The health plan is self-sustaining through member premiums and reinsures through an insurance company to pay claims in excess of \$150,000 per individual and \$22 million for the group as a whole.

The College maintains comprehensive insurance coverage with private carriers for all other risks of loss.

STARK STATE COLLEGE OF TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

10. CAPITAL LEASES

Capital lease obligations recorded in the Educational and General and the Investment in Plant Fund relate to computers, copier equipment and automobiles which are leased under long-term agreements which meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases". Such agreements provide for minimum annual rental payments as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2000	\$ 51,682
2001	42,159
2002	35,914
2003	31,199
2004	<u>33,492</u>
Total	194,446
Less - amount representing interest	<u>28,396</u>
Present value of minimum lease payments	<u>\$166,051</u>

11. PLEDGES

As of June 30, 1999, the College had received the following cash pledges as part of the Advanced Technology Center - Share the Future Campaign. The pledges are designated to purchase equipment in the Advanced Technology Center.

<u>Fiscal Year</u>	<u>Pledged Amount</u>
1999 - 2000	\$ 75,000
2000 - 2001	<u>75,000</u>
Total	<u>\$150,000</u>

12. YEAR 2000 ISSUE

The Year 2000 Issue is the result of shortcomings in many electronic data-processing systems and other equipment that may adversely affect the College's operations in fiscal 2000.

The College has completed an inventory of computer systems and other equipment necessary to conducting College operations. The College has identified the following systems requiring Year 2000 remediation:

A. Financial Reporting, Payroll, Employee Benefits, Student Records and Registration Systems

The College has completed the validation and testing of these systems.

STARK STATE COLLEGE OF TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

12. YEAR 2000 ISSUE (continued)

B. Financial Aid System

The College has completed the validation and testing of this system.

C. Grant Reporting Systems

The State of Ohio and the United States Department of Education distributes a substantial sum of money to the College in the form of federal and state grant payments. Further, the State processes significant amounts of financial and non-financial information about the College through HEI. The United States Department of Education uses the GAPS system for reporting and funding purposes. Both the State and the United States Department of Education are responsible for remediating these systems.

D. Hardware and Software Systems

The College has completed the validation and testing of all electronic equipment and software it identified as necessary to conducting College operations.

E. Energy Management System

As of June 30, 1999 the College was currently validating and testing the energy management, heating and air conditioning systems. As of September 1, 1999 the College had completed the validation and testing of these systems.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Management cannot assure that the College is or will be Year 2000 ready, that the College's remediation efforts will be successful in whole or in part, or that parties with whom the College does business will be Year 2000 ready.

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**Stark State College of Technology
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999**

<u>Federal Grantor/ Pass Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Receipts</u>	<u>Disbursements</u>
<u>United States Department of Education</u>				
Federal Student Financial Assistance Cluster:				
Federal Work Study Program 98-99	84.033	N/A	\$82,733	\$82,733
Federal Work Study Program 99-2000	84.033	N/A	10,525	10,525
Federal Supplemental Educational Opportunity Grants 98-99	84.007	N/A	90,600	90,600
Federal Pell Grant 98-99	84.063	N/A	2,088,737	2,088,737
Federal Pell Administrative Allowance 98-99	84.063	N/A	7,480	7,480
Total Federal Student Financial Assistance Cluster			<u>2,280,075</u>	<u>2,280,075</u>
Passed Through the Ohio Department of Education				
Vocational Education - Perkins Basic Grant 98-99	84.048	VECPII-P99-508	70,459	70,459
Vocational Education - Promoting Access in Technical Education Grant 98-99	84.048	VESE-PATE99-063420	11,706	11,706
Vocational Education - Tech Prep Consortia Equity Leadership Grant 98-99	84.048	VESE-SPTECH99-063420	24,169	24,169
Total Vocational Education Grants			<u>106,334</u>	<u>106,334</u>
Tech Prep Education 98-99	84.243	VETP-99-13R	64,762	64,762
Tech Prep Phase II 98-99	84.243	VETP-99-13K	16,652	16,652
Tech Prep Education Expansion 98-99	84.243	VETP-99-13B	32,988	32,988
Tech Prep Education Enrollment 98-99	84.243	VETP-99-13S	18,387	18,387
Total Tech Prep Education			<u>132,789</u>	<u>132,789</u>
Total United States Department of Education			<u>2,519,198</u>	<u>2,519,198</u>
<u>United States Department of Labor</u>				
Job Training Partnership Act	17.250	N/A	19,262	19,262
<u>National Science Foundation</u>				
Biological Sciences 97-98	47.074	N/A	15	15
Education and Human Resources 95-98	47.076	N/A	138,881	138,881
Total National Science Foundation			<u>138,896</u>	<u>138,896</u>
Total Federal Awards			<u>\$2,677,356</u>	<u>\$2,677,356</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of Stark State College of Technology's federal awards programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B - LOAN PROGRAM

Students at Stark State College of Technology also participate in the United States Department of Education's Federal Family Education Loan Program. These loans are made by lending institutions directly to qualified students and are not reflected in the revenues and expenditures of Stark State College of Technology. The total amount of the loans under these programs for the year ended June 30, 1999 were \$3,027,055.

**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 Trustees
Stark State College of Technology
6200 Frank Avenue NW
Canton, Ohio 44720

We have audited the financial statements of Stark State College of Technology, as of and for the year ended June 30, 1999, and have issued our report thereon dated October 28, 1999.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Stark State College of Technology'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 Stark State College of Technology'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 operations that we consider to be material weaknesses.

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

This report is intended for the information of management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



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

October 28, 1999

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

Board of Trustees
Stark State College of Technology
6200 Frank Avenue NW
Canton, Ohio 44720

Compliance

We have audited the compliance of Stark State College of Technology with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program cluster for the year ended June 30, 1999. Stark State College of Technology's major federal program cluster is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Stark State College of Technology's management. Our responsibility is to express an opinion on the Stark State College of Technology's compliance based on our audit.

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

In our opinion, Stark State College of Technology complied, in all material respects, with the requirements referred to above that are applicable to its major federal program cluster for the year ended June 30, 1999.

Internal Control Over Compliance

The management of Stark State College of Technology is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Stark State College of Technology'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 management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



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

October 28, 1999

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

STARK STATE COLLEGE OF TECHNOLOGY
STARK COUNTY
JUNE 30, 1999

1. 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?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level?	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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §505
(CONTINUED)

(d)(1)(vii)	Major Programs:	<i>Student Financial Assistance Cluster:</i> Federal Work Study Program, CFDA #84.033; Federal Supplemental Educational Opportunity Grant, CFDA #84.007; Federal Pell Grant, CFDA #84.063; Federal Family Education Loan Program, CFDA #84.032
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

3. **FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

FORM SF-SAC
(8-97)U.S. DEPARTMENT OF COMMERCE - BUREAU OF THE CENSUS
ACTING AS COLLECTING AGENT FOR
OFFICE OF MANAGEMENT AND BUDGETData Collection Form for Reporting on
AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONSComplete this form, as required by OMB Circular A-133, "Audits
of States, Local Governments, and Non-Profit Organizations."

RETURN TO

Single Audit Clearinghouse
1201 E. 10th Street
Jeffersonville, IN 47132**PART I** GENERAL INFORMATION *(To be completed by auditee, except for Item 7)*

1. Fiscal year ending date for this submission mm/dd/yy 6/30/99		2. Type of Circular A-133 audit 1 <input checked="" type="checkbox"/> Single audit 2 <input type="checkbox"/> Program-specific audit	
3. Audit period covered 1 <input checked="" type="checkbox"/> Annual 3 <input type="checkbox"/> Other - Months 2 <input type="checkbox"/> Biennial		FEDERAL GOVERNMENT USE ONLY	4. Date received by Federal clearinghouse
5. Employer Identification Number (EIN) a. Auditee EIN 34-1055865 b. Are multiple EINs covered in this report? 1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			
6. AUDITEE INFORMATION		7. AUDITOR INFORMATION <i>(To be completed by auditor)</i>	
a. Auditee name STARK STATE COLLEGE OF TECHNOLOGY		a. Auditor name GARY B. FINK & ASSOCIATES, INC.	
b. Auditee address <i>(Number and street)</i> Street 6200 FRANK AVENUE, NW City CANTON State OHIO ZIP Code 44720		b. Auditor address <i>(Number and street)</i> Street 111 BROAD STREET, SUITE 206 City WADSWORTH State OHIO ZIP Code 44281	
c. Auditee contact Name DAVID A. JOHNSON Title COMPTROLLER		c. Auditor contact Name SCOTT K. VARNEY Title MANAGER	
d. Auditee contact telephone 330-494-6170 EXTENSION 203		d. Auditor contact telephone 330-336-1706	
e. Auditee contact FAX <i>(Optional)</i> 330-497-6313		e. Auditor contact FAX <i>(Optional)</i> 330-334-5118	
f. Auditee contact E-mail <i>(Optional)</i>		f. Auditor contact E-mail <i>(Optional)</i> GBFINC@AOL.COM	

<p>g. AUDITEE CERTIFICATION STATEMENT - This is to certify that, to the best of my knowledge and belief, the auditee has:</p> <p>(1) Engaged an auditor to perform an audit in accordance with the provisions of OMB Circular A-133 for the period described in Part I, Items 1 and 3; (2) the auditor has completed such audit and presented a signed audit report which states that the audit was conducted in accordance with the provisions of the Circular; and, (3) the information included in Parts I, II, and III of this data collection form is accurate and complete. I declare that the foregoing is true and correct.</p>	<p>g. AUDITOR STATEMENT - The data elements and information included in this form are limited to those prescribed by OMB Circular A-133. The information included in Parts II and III of the form, except for Part III, Items 5 and 6, was transferred from the auditor's report(s) for the period described in Part I, Items 1 and 3, and is not a substitute for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s). A copy of the reporting package required by OMB Circular A-133, which includes the complete auditor's report(s), is available in its entirety from the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in Parts II and III of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.</p>												
<table style="width:100%; border: none;"> <tr> <td style="border: none;">Signature of certifying official</td> <td style="border: none; text-align: right;">Date Month Day Year</td> </tr> <tr> <td style="border: none;"><i>David A. Johnson</i></td> <td style="border: none; text-align: right;">11/4/99</td> </tr> <tr> <td style="border: none;">Name/Title of certifying official</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">David A. Johnson, Comptroller</td> <td style="border: none;"></td> </tr> </table>	Signature of certifying official	Date Month Day Year	<i>David A. Johnson</i>	11/4/99	Name/Title of certifying official		David A. Johnson, Comptroller		<table style="width:100%; border: none;"> <tr> <td style="border: none;"><i>[Signature]</i></td> <td style="border: none; text-align: right;">11/4/99</td> </tr> <tr> <td style="border: none;">Signature of auditor</td> <td style="border: none; text-align: right;">Date Month Day Year</td> </tr> </table>	<i>[Signature]</i>	11/4/99	Signature of auditor	Date Month Day Year
Signature of certifying official	Date Month Day Year												
<i>David A. Johnson</i>	11/4/99												
Name/Title of certifying official													
David A. Johnson, Comptroller													
<i>[Signature]</i>	11/4/99												
Signature of auditor	Date Month Day Year												

PART I GENERAL INFORMATION - Continued

8. Indicate whether the auditee has either a Federal cognizant or oversight agency for audit. (Mark (X) one box)

1 Cognizant agency 2 Oversight agency

9. Name of Federal cognizant or oversight agency for audit. (Mark (X) one box)

01 <input type="checkbox"/> African Development Foundation 02 <input type="checkbox"/> Agency for International Development 10 <input type="checkbox"/> Agriculture 11 <input type="checkbox"/> Commerce 94 <input type="checkbox"/> Corporation for National and Community Service 12 <input type="checkbox"/> Defense 84 <input checked="" type="checkbox"/> Education 81 <input type="checkbox"/> Energy 88 <input type="checkbox"/> Environmental Protection Agency	83 <input type="checkbox"/> Federal Emergency Management Agency 34 <input type="checkbox"/> Federal Mediation and Conciliation Service 39 <input type="checkbox"/> General Services Administration 93 <input type="checkbox"/> Health and Human Services 14 <input type="checkbox"/> Housing and Urban Development 03 <input type="checkbox"/> Institute for Museum Services 04 <input type="checkbox"/> Inter-American Foundation 15 <input type="checkbox"/> Interior	16 <input type="checkbox"/> Justice 17 <input type="checkbox"/> Labor 43 <input type="checkbox"/> National Aeronautics and Space Administration 89 <input type="checkbox"/> National Archives and Records Administration 05 <input type="checkbox"/> National Endowment for the Arts 06 <input type="checkbox"/> National Endowment for the Humanities 47 <input type="checkbox"/> National Science Foundation 07 <input type="checkbox"/> Office of National Drug Control Policy	08 <input type="checkbox"/> Peace Corps 59 <input type="checkbox"/> Small Business Administration 96 <input type="checkbox"/> Social Security Administration 19 <input type="checkbox"/> State 20 <input type="checkbox"/> Transportation 21 <input type="checkbox"/> Treasury 82 <input type="checkbox"/> United States Information Agency 64 <input type="checkbox"/> Veterans Affairs <input type="checkbox"/> Other - Specify:
---	--	--	--

PART II FINANCIAL STATEMENTS (To be completed by auditor)

1. Type of audit report (Mark (X) one box)

1 Unqualified opinion 2 Qualified opinion 3 Adverse opinion 4 Disclaimer of opinion

2. Is a "going concern" explanatory paragraph included in the audit report? 1 Yes 2 No

3. Is a reportable condition disclosed? 1 Yes 2 No -SKIP to Item 5

4. Is any reportable condition reported as a material weakness? 1 Yes 2 No

5. Is a material noncompliance disclosed? 1 Yes 2 No

PART III FEDERAL PROGRAMS (To be completed by auditor)

1. Type of audit report on major program compliance

- 1
-
- Unqualified opinion 2
-
- Qualified opinion 3
-
- Adverse opinion 4
-
- Disclaimer of opinion

2. What is the dollar threshold to distinguish Type A and Type B programs §_520(b)?

\$300,000

3. Did the auditee qualify as a low-risk auditee (§_530)?

- 1
-
- Yes 2
-
- No

4. Are there any audit findings required to be reported under §_510(a)?

- 1
-
- Yes 2
-
- No

5. Which Federal Agencies are required to receive the reporting package? (Mark (X) all that apply)

- | | | | |
|--|--|---|--|
| 01 <input type="checkbox"/> African Development Foundation | 83 <input type="checkbox"/> Federal Emergency Management Agency | 16 <input type="checkbox"/> Justice | 08 <input type="checkbox"/> Peace Corps |
| 02 <input type="checkbox"/> Agency for International Development | 34 <input type="checkbox"/> Federal Mediation and Conciliation Service | 17 <input type="checkbox"/> Labor | 59 <input type="checkbox"/> Small Business Administration |
| 10 <input type="checkbox"/> Agriculture | 39 <input type="checkbox"/> General Services Administration | 43 <input type="checkbox"/> National Aeronautics and Space Administration | 96 <input type="checkbox"/> Social Security Administration |
| 11 <input type="checkbox"/> Commerce | 93 <input type="checkbox"/> Health and Human Services | 89 <input type="checkbox"/> National Archives and Records Administration | 19 <input type="checkbox"/> State |
| 94 <input type="checkbox"/> Corporation for National and Community Service | 14 <input type="checkbox"/> Housing and Urban Development | 05 <input type="checkbox"/> National Endowment for the Arts | 20 <input type="checkbox"/> Transportation |
| 12 <input type="checkbox"/> Defense | 03 <input type="checkbox"/> Institute for Museum Services | 06 <input type="checkbox"/> National Endowment for the Humanities | 21 <input type="checkbox"/> Treasury |
| 84 <input type="checkbox"/> Education | 04 <input type="checkbox"/> Inter-American Foundation | 47 <input type="checkbox"/> National Science Foundation | 82 <input type="checkbox"/> United States Information Agency |
| 81 <input type="checkbox"/> Energy | 15 <input type="checkbox"/> Interior | 07 <input type="checkbox"/> Office of National Drug Control Policy | 64 <input type="checkbox"/> Veterans Affairs |
| 66 <input type="checkbox"/> Environmental Protection Agency | | | 00 <input checked="" type="checkbox"/> None |
| | | | <input type="checkbox"/> Other - Specify: |

PART III FEDERAL PROGRAMS - Continued

6. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR

CFDA number ¹ (a)	Name of Federal program (b)	Amount expended (c)
84.033	WORK STUDY PROGRAM 98-99	\$82,733
84.033	WORK STUDY PROGRAM 1999-2000	\$10,525
84.007	SUPPLEMENTAL EDUCATION OPPORTUNITY GRANTS 98-99	\$90,600
84.032	FEDERAL FAMILY EDUCATION LOAN PROGRAM	\$3,027,055
84.063	PELL GRANT 98-99	\$2,088,737
84.063	PELL ADMINISTRATIVE ALLOWANCE 98-99	\$7,480
84.048	PERKINS BASIC GRANT 98-99	\$70,459
84.048	PROMOTING ACCESS IN TECHNICAL EDUCATION GRANT 98-99	\$11,706
84.048	TECH PREP CONSORTIA EQUITY LEADERSHIP GRANT 98-99	\$24,169
84.243	TECH PREP EDUCATION 98-99	\$64,762
TOTAL FEDERAL AWARDS EXPENDED		\$SEE NEXT PAGE

7. AUDIT FINDINGS AND QUESTIONED COSTS

Major program (a)	Type of compliance requirement (b)	Amount of questioned costs (c)	Internal control findings ³ (d)	Audit finding reference number(s) (e)
1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A

IF ADDITIONAL LINES ARE NEEDED, PLEASE REFER TO THE INSTRUCTIONS FOR OMB CIRCULAR A-133 WORD PROCESSING TEMPLATE

PART III FEDERAL PROGRAMS - Continued

6. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR

7. AUDIT FINDINGS AND QUESTIONED COSTS

CFDA number ¹ (a)	Name of Federal program (b)	Amount expended (c)	Major program (a)	Type of compliance requirement ² (b)	Amount of questioned costs (c)	Internal control findings ³ (d)	Audit finding reference number(s) (e)
84.243	TECH PREP EDUCATION EXPANSION 98-99	\$32,988	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
84.243	TECH PREP EDUCATION PHASE II 98-99	\$16,652	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
84.243	TECH PREP EDUCATION ENROLLMENT 98-99	\$18,387	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
17.250	JOB TRAINING PARTNERSHIP ACT	\$19,262	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
47.074	BIOLOGICAL SCIENCES 97-98	\$15	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
47.076	EDUCATION AND HUMAN RESOURCES 95-98	\$138,881	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
TOTAL FEDERAL AWARDS EXPENDED		\$5,704,411					

IF ADDITIONAL LINES ARE NEEDED, PLEASE REFER TO THE INSTRUCTIONS FOR OMB CIRCULAR A-133 WORD PROCESSING TEMPLATE

¹ Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available.

² Type of compliance requirement (Enter the letter(s) of all that apply to each finding and questioned costs reported for each Federal program.)

- A. Activities allowed or unallowed
- B. Allowable cost/cost principles
- C. Cash management
- D. Davis - Bacon Act
- E. Eligibility
- F. Equipment and real property management
- G. Matching, level of effort, earmarking
- H. Period of availability of funds
- I. Procurement
- J. Program income
- K. Real property acquisition and relocation assistance
- L. Reporting
- M. Subrecipient monitoring
- N. Special tests and provisions
- O. None

³ Type of internal control findings (Mark (X) all that apply)

- A. Material weaknesses
- B. Reportable conditions
- C. None reported



STATE OF OHIO
OFFICE OF THE AUDITOR

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STARK STATE COLLEGE OF TECHNOLOGY

STARK 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.

By: *Susan Babbitt*

Date: **JAN 18 2000**