TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 1999

JIM PETRO
AUDITOR OF STATE
STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

Tri-Rivers Joint Vocational School District
2222 Marion-Mt. Gilead Road
Marion, Ohio 43302

To the Board of Education:

We have audited the accompanying general purpose financial statements of the Tri-Rivers Joint Vocational School District, Marion County, Ohio, (the District) as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 Tri-Rivers Joint Vocational School District, Marion County, Ohio, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds 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 December 16, 1999, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

JIM PETRO
Auditor of State

December 16, 1999

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COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1999

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types	Account Groups		
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	Totals (Memorandum Only)
Liabilities, Fund Equity, and Other Credits:									
Liabilities:									
Accounts Payable	$196,499	$8,403	$0	$27,276	$324	$0	$0	$0	$232,502
Accrued Wages and Benefits	563,732	10,042	0	24,109	0	0	0	0	597,883
Compensated Absences Payable	3,100	0	0	15,441	0	0	0	182,695	201,236
Contracts Payable	87,928	0	0	0	0	0	0	0	87,928
Retainage Payable	22,935	0	0	0	0	0	0	0	22,935
Intergovernmental Payable	110,757	2,379	0	7,914	0	0	0	6,989	128,039
Interfund Payable	0	164,728	0	829	14,544	0	0	0	180,101
Deferred Revenue	3,646,767	0	0	1,702	0	0	0	0	3,648,469
Undistributed Assets	0	0	0	0	0	1,255	0	0	1,255
Due to Students	0	0	0	0	0	18,129	0	0	18,129
Claims Payable	0	0	0	0	132,394	0	0	0	132,394
Advances from Other Funds	0	0	0	3,352	0	0	0	0	3,352
Capital Leases Payable	0	0	0	0	0	0	0	200,518	200,518
School Facilities Loan Payable	0	0	0	0	0	0	0	440,415	440,415
General Obligation Bonds Payable	0	0	0	0	0	0	0	420,000	420,000
Total Liabilities	4,631,718	185,552	0	80,623	147,262	19,384	0	1,250,617	6,315,156
Fund Equity and Other Credits:									
Investment in General Fixed Assets	0	0	0	0	0	0	4,162,901	0	4,162,901
Contributed Capital	0	0	0	983	0	0	0	0	983
Retained Earnings:									
Unreserved (Deficit)	0	0	0	253,010	(145,677)	0	0	0	107,333
Fund Balance:									
Reserved for Property Taxes	444,586	0	0	0	0	0	0	0	444,586
Reserved for Notes Receivable	0	0	0	0	0	1,632	0	0	1,632
Reserved for Inventory	59,280	0	0	0	0	0	0	0	59,280
Reserved for Budget Stabilization	102,749	0	0	0	0	0	0	0	102,749
Reserved for Advances	3,352	0	0	0	0	0	0	0	3,352
Reserved for Contributions	0	0	0	0	0	29,251	0	0	29,251
Reserved for External Pool Participants	0	0	0	0	0	432,327	0	0	432,327
Reserved for Encumbrances	824,103	39,057	11,145	0	0	0	0	0	874,305
Designated for Textbooks	301,012	0	0	0	0	0	0	0	301,012
Designated for Capital Improvements	676,030	0	0	0	0	0	0	0	676,030
Unreserved, Undesignated (Deficit)	(947,656)	(29,881)	12,769	0	0	7,457	0	0	(957,311)
Total Fund Equity (Deficit) and Other Credits	1,463,456	9,176	23,914	253,993	(145,677)	470,667	4,162,901	0	6,238,430
Total Liabilities, Fund Equity, and Other Credits	$6,095,174	$194,728	$23,914	$334,616	$1,585	$490,051	$4,162,901	$1,250,617	$12,553,586

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1999

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types	Account Groups		
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	Totals (Memorandum Only)
Liabilities, Fund Equity, and Other Credits:									
Liabilities:									
Accounts Payable	$196,499	$8,403	$0	$27,276	$324	$0	$0	$0	$232,502
Accrued Wages and Benefits	563,732	10,042	0	24,109	0	0	0	0	597,883
Compensated Absences Payable	3,100	0	0	15,441	0	0	0	182,695	201,236
Contracts Payable	87,928	0	0	0	0	0	0	0	87,928
Retainage Payable	22,935	0	0	0	0	0	0	0	22,935
Intergovernmental Payable	110,757	2,379	0	7,914	0	0	0	6,989	128,039
Interfund Payable	0	164,728	0	829	14,544	0	0	0	180,101
Deferred Revenue	3,646,767	0	0	1,702	0	0	0	0	3,648,469
Undistributed Assets	0	0	0	0	0	1,255	0	0	1,255
Due to Students	0	0	0	0	0	18,129	0	0	18,129
Claims Payable	0	0	0	0	132,394	0	0	0	132,394
Advances from Other Funds	0	0	0	3,352	0	0	0	0	3,352
Capital Leases Payable	0	0	0	0	0	0	0	200,518	200,518
School Facilities Loan Payable	0	0	0	0	0	0	0	440,415	440,415
General Obligation Bonds Payable	0	0	0	0	0	0	0	420,000	420,000
Total Liabilities	4,631,718	185,552	0	80,623	147,262	19,384	0	1,250,617	6,315,156
Fund Equity and Other Credits:									
Investment in General Fixed Assets	0	0	0	0	0	0	4,162,901	0	4,162,901
Contributed Capital	0	0	0	983	0	0	0	0	983
Retained Earnings:									
Unreserved (Deficit)	0	0	0	253,010	(145,677)	0	0	0	107,333
Fund Balance:									
Reserved for Property Taxes	444,586	0	0	0	0	0	0	0	444,586
Reserved for Notes Receivable	0	0	0	0	0	1,632	0	0	1,632
Reserved for Inventory	59,280	0	0	0	0	0	0	0	59,280
Reserved for Budget Stabilization	102,749	0	0	0	0	0	0	0	102,749
Reserved for Advances	3,352	0	0	0	0	0	0	0	3,352
Reserved for Contributions	0	0	0	0	0	29,251	0	0	29,251
Reserved for External Pool Participants	0	0	0	0	0	432,327	0	0	432,327
Reserved for Encumbrances	824,103	39,057	11,145	0	0	0	0	0	874,305
Designated for Textbooks	301,012	0	0	0	0	0	0	0	301,012
Designated for Capital Improvements	676,030	0	0	0	0	0	0	0	676,030
Unreserved, Undesignated (Deficit)	(947,656)	(29,881)	12,769	0	0	7,457	0	0	(957,311)
Total Fund Equity (Deficit) and Other Credits	1,463,456	9,176	23,914	253,993	(145,677)	470,667	4,162,901	0	6,238,430
Total Liabilities, Fund Equity, and Other Credits	$6,095,174	$194,728	$23,914	$334,616	$1,585	$490,051	$4,162,901	$1,250,617	$12,553,586

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Governmental Fund Types				Fiduciary Fund Type	Totals
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	(Memorandum Only)
Revenues:						
Property Taxes	$3,459,953	$0	$0	$0	$0	$3,459,953
Intergovernmental	3,786,630	810,694	0	0	0	4,597,324
Interest	105,726	0	0	1,202	52	106,980
Rent	17,879	0	0	0	0	17,879
Extracurricular Activities	1,860	0	0	0	0	1,860
Gifts and Donations	0	0	0	0	540	540
Miscellaneous	103,397	9,866	0	0	0	113,263
Total Revenues	7,475,445	820,560	0	1,202	592	8,297,799
Expenditures:						
Current:						
Instruction:						
Regular	196,601	0	0	0	0	196,601
Vocational	4,174,902	141,668	0	0	90	4,316,660
Adult/Continuing	15,426	158,780	0	0	381	174,587
Support Services:						
Pupils	530,586	445,132	0	0	0	975,718
Instructional Staff	484,289	59,538	0	0	0	543,827
Board of Education	30,197	0	0	0	0	30,197
Administration	496,515	16,211	0	0	0	512,726
Fiscal	264,037	0	0	0	0	264,037
Business	164,473	0	0	0	0	164,473
Operation and Maintenance of Plant	923,016	0	0	0	0	923,016
Pupil Transportation	4,708	0	0	0	0	4,708
Central	66,745	44,088	0	0	0	110,833
Non-Instructional Services	12,360	0	0	0	0	12,360
Extracurricular Activities	28,903	0	0	0	0	28,903
Capital Outlay	310,686	0	0	12,177	0	322,863
Debt Service:						
Principal Retirement	92,481	0	60,000	0	0	152,481
Interest and Fiscal Charges	14,676	0	26,967	0	0	41,643
Intergovernmental	0	10,118	0	0	0	10,118
Total Expenditures	7,810,601	875,535	86,967	12,177	471	8,785,751
Excess of Revenues Over (Under) Expenditures	(335,156)	(54,975)	(86,967)	(10,975)	121	(487,952)
Other Financing Sources (Uses):						
School Facilities Loan Proceeds	440,415	0	0	0	0	440,415
Operating Transfers In	0	0	86,967	0	0	86,967
Operating Transfers Out	(189,067)	0	0	0	0	(189,067)
Total Other Financing Sources (Uses)	251,348	0	86,967	0	0	338,315
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(83,808)	(54,975)	0	(10,975)	121	(149,637)
Fund Balances at Beginning of Year	1,551,488	64,151	0	34,889	2,392	1,652,920
Decrease in Reserve for Inventory	(4,224)	0	0	0	0	(4,224)
Fund Balances at End of Year	$1,463,456	$9,176	$0	$23,914	$2,513	$1,499,059

See Accompanying Notes to the General Purpose Financial Statements

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BASIS) AND ACTUAL
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Property Taxes	$3,916,460	$3,859,355	($57,105)	$0	$0	$0
Intergovernmental	3,656,812	3,786,630	129,818	772,955	812,441	39,486
Interest	90,752	105,726	14,974	0	0	0
Rent	14,983	17,410	2,427	0	0	0
Extracurricular Activities	1,644	1,860	216	0	0	0
Gifts and Donations	0	0	0	0	0	0
Miscellaneous	84,875	94,816	9,941	9,847	9,866	19
Total Revenues	7,765,526	7,865,797	100,271	782,802	822,307	39,505
Expenditures:						
Current:						
Instruction:						
Regular	203,256	202,678	578	0	0	0
Vocational	4,398,689	4,393,150	5,539	138,116	145,097	(6,981)
Adult/Continuing	15,426	15,426	0	158,819	162,597	(3,778)
Support Services:						
Pupils	512,513	512,469	44	476,727	475,271	1,456
Instructional Staff	475,623	475,488	135	57,288	57,288	0
Board of Education	30,508	30,508	0	0	0	0
Administration	499,884	499,884	0	16,281	16,281	0
Fiscal	273,564	273,564	0	0	0	0
Business	277,898	277,856	42	0	0	0
Operation and Maintenance of Plant	919,617	903,649	15,968	0	0	0
Pupil Transportation	4,708	4,708	0	0	0	0
Central	591,980	591,980	0	44,195	44,195	0
Non-Instructional Services	12,422	12,422	0	0	0	0
Extracurricular Activities	28,903	28,903	0	0	0	0
Capital Outlay	847,806	847,020	786	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
Total Expenditures	9,092,797	9,069,705	23,092	891,426	900,729	(9,303)
Excess of Revenues Under Expenditures	(1,327,271)	(1,203,908)	123,363	(108,624)	(78,422)	30,202
Other Financing Sources (Uses):						
School Facilities Loan Proceeds	440,415	440,415	0	0	0	0
Refund of Prior Year Expenditures	49,317	55,965	6,648	0	0	0
Refund of Prior Year Receipts	(154)	(154)	0	(10,118)	(10,118)	0
Operating Transfers In	0	0	0	0	0	0
Operating Transfers Out	(189,067)	(189,067)	0	0	0	0
Advances In	99,136	114,085	14,949	143,118	165,978	22,860
Advances Out	(314,397)	(181,351)	133,046	(114,085)	(114,085)	0
Total Other Financing Sources (Uses)	85,250	239,893	154,643	18,915	41,775	22,860
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,242,021)	(964,015)	278,006	(89,709)	(36,647)	53,062
Fund Balances at Beginning of Year	654,273	654,273	0	38,412	38,412	0
Prior Year Encumbrances Appropriated	432,277	432,277	0	66,036	66,036	0
Fund Balances (Deficit) at End of Year	($155,471)	$122,535	$278,006	$14,739	$67,801	$53,062

(continued)

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BASIS) AND ACTUAL
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999
(continued)

	Debt Service Fund			Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Property Taxes	$0	$0	$0	$0	$0	$0
Intergovernmental	0	0	0	0	0	0
Interest	0	0	0	1,250	1,202	(48)
Rent	0	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0	0
Gifts and Donations	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0
Total Revenues	0	0	0	1,250	1,202	(48)
Expenditures:						
Current:						
Instruction:						
Regular	0	0	0	0	0	0
Vocational	0	0	0	0	0	0
Adult/Continuing	0	0	0	0	0	0
Support Services:						
Pupils	0	0	0	0	0	0
Instructional Staff	0	0	0	0	0	0
Board of Education	0	0	0	0	0	0
Administration	0	0	0	0	0	0
Fiscal	0	0	0	0	0	0
Business	0	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	0	0
Pupil Transportation	0	0	0	0	0	0
Central	0	0	0	0	0	0
Non-Instructional Services	0	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0	0
Capital Outlay	0	0	0	23,436	23,321	115
Debt Service:						
Principal Retirement	60,000	60,000	0	0	0	0
Interest and Fiscal Charges	26,967	26,967	0	0	0	0
Total Expenditures	86,967	86,967	0	23,436	23,321	115
Excess of Revenues Under Expenditures	(86,967)	(86,967)	0	(22,186)	(22,119)	67
Other Financing Sources (Uses):						
School Facilities Loan Proceeds	0	0	0	0	0	0
Refund of Prior Year Expenditures	0	0	0	0	0	0
Refund of Prior Year Receipts	0	0	0	0	0	0
Operating Transfers In	86,967	86,967	0	0	0	0
Operating Transfers Out	0	0	0	0	0	0
Advances In	0	0	0	0	0	0
Advances Out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	86,967	86,967	0	0	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	0	0	(22,186)	(22,119)	67
Fund Balances at Beginning of Year	0	0	0	23,303	23,303	0
Prior Year Encumbrances Appropriated	0	0	0	11,586	11,586	0
Fund Balances (Deficit) at End of Year	$0	$0	$0	$12,703	$12,770	$67

See Accompanying Notes to the General Purpose Financial Statements

Expendable Trust Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
$0	$0	$0	$3,916,460	$3,859,355	($57,105)
0	0	0	4,429,767	4,599,071	169,304
70	52	(18)	92,072	106,980	14,908
0	0	0	14,983	17,410	2,427
0	0	0	1,644	1,860	216
540	540	0	540	540	0
230	230	0	94,952	104,912	9,960
840	822	(18)	8,550,418	8,690,128	139,710
0	0	0	203,256	202,678	578
297	90	207	4,537,102	4,538,337	(1,235)
834	757	77	175,079	178,780	(3,701)
0	0	0	989,240	987,740	1,500
0	0	0	532,911	532,776	135
0	0	0	30,508	30,508	0
0	0	0	516,165	516,165	0
0	0	0	273,564	273,564	0
0	0	0	277,898	277,856	42
0	0	0	919,617	903,649	15,968
0	0	0	4,708	4,708	0
0	0	0	636,175	636,175	0
0	0	0	12,422	12,422	0
0	0	0	28,903	28,903	0
0	0	0	871,242	870,341	901
0	0	0	60,000	60,000	0
0	0	0	26,967	26,967	0
1,131	847	284	10,095,757	10,081,569	14,188
(291)	(25)	266	(1,545,339)	(1,391,441)	153,898
0	0	0	440,415	440,415	0
0	0	0	49,317	55,965	6,648
0	0	0	(10,272)	(10,272)	0
0	0	0	86,967	86,967	0
0	0	0	(189,067)	(189,067)	0
0	0	0	242,254	280,063	37,809
0	0	0	(428,482)	(295,436)	133,046
0	0	0	191,132	368,635	177,503
(291)	(25)	266	(1,354,207)	(1,022,806)	331,401
731	731	0	716,719	716,719	0
175	175	0	510,074	510,074	0
$615	$881	$266	($127,414)	$203,987	$331,401

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY
ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Proprietary Fund Types		Fiduciary Fund Type	Totals
	Enterprise	Internal Service	Non-Expendable Trust	(Memorandum Only)
Operating Revenues:				
Tuition	$377,744	$0	$0	$377,744
Sales	500,766	0	0	500,766
Charges for Services	0	955,179	0	955,179
Interest	0	0	1,690	1,690
Gifts and Donations	0	0	5,000	5,000
Other Operating Revenues	14,260	46,207	0	60,467
Total Operating Revenues	892,770	1,001,386	6,690	1,900,846
Operating Expenses:				
Salaries	540,740	0	0	540,740
Fringe Benefits	178,799	0	0	178,799
Purchased Services	161,005	180,982	0	341,987
Materials and Supplies	204,833	77	0	204,910
Cost of Sales	79,502	0	0	79,502
Claims	0	1,134,170	0	1,134,170
Depreciation	17,044	225	0	17,269
Other Operating Expenses	13,169	324	1,300	14,793
Total Operating Expenses	1,195,092	1,315,778	1,300	2,512,170
Operating Income (Loss)	(302,322)	(314,392)	5,390	(611,324)
Non-Operating Revenues (Expenses):				
Interest	0	3,491	0	3,491
Federal Donated Commodities	7,776	0	0	7,776
Operating Grants	226,152	0	0	226,152
Gifts and Donations	19,174	0	0	19,174
Loss on Disposal of Fixed Assets	(1,542)	(567)	0	(2,109)
Total Non-Operating Revenues (Expenses)	251,560	2,924	0	254,484
Income (Loss) Before Operating Transfers	(50,762)	(311,468)	5,390	(356,840)
Operating Transfers In	102,100	0	0	102,100
Net Income (Loss)	51,338	(311,468)	5,390	(254,740)
Retained Earnings/Fund Balance at Beginning of Year	201,672	165,791	30,437	397,900
Retained Earnings(Deficit)/Fund Balance at End of Year	253,010	(145,677)	35,827	143,160
Contributed Capital at Beginning and End of Year	983	0	0	983
Total Fund Equity (Deficit) at End of Year	$253,993	($145,677)	$35,827	$144,143

See Accompanying Notes to the General Purpose Financial Statements

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COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BASIS) AND ACTUAL
ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Enterprise Funds			Internal Service Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Tuition	$372,805	$377,014	$4,209	$0	$0	$0
Sales	490,507	497,255	6,748	0	0	0
Charges for Services	0	0	0	948,706	955,179	6,473
Interest	0	0	0	3,500	3,491	(9)
Operating Grants	203,522	202,689	(833)	0	0	0
Gifts and Donations	17,715	19,174	1,459	0	0	0
Other Revenues	14,260	14,260	0	44,500	46,207	1,707
Total Revenues	1,098,809	1,110,392	11,583	996,706	1,004,877	8,171
Expenses:						
Salaries	559,032	547,831	11,201	0	0	0
Fringe Benefits	182,577	179,716	2,861	0	0	0
Purchased Services	185,897	181,421	4,476	167,715	180,982	(13,267)
Materials and Supplies	302,847	290,029	12,818	0	0	0
Capital Outlay	20,241	18,142	2,099	1,532	1,532	0
Claims	0	0	0	1,069,776	1,069,776	0
Other Expenses	15,739	12,622	3,117	0	0	0
Total Expenses	1,266,333	1,229,761	36,572	1,239,023	1,252,290	(13,267)
Excess of Revenues Over (Under) Expenses	(167,524)	(119,369)	48,155	(242,317)	(247,413)	(5,096)
Operating Transfers In	102,100	102,100	0	0	0	0
Advances In	829	829	0	10,000	14,544	4,544
Excess of Revenues Over (Under) Expenses, Transfers, and Advances	(64,595)	(16,440)	48,155	(232,317)	(232,869)	(552)
Fund Balances at Beginning of Year	118,818	118,818	0	232,044	232,044	0
Prior Year Encumbrances Appropriated	34,954	34,954	0	825	825	0
Fund Balances at End of Year	$89,177	$137,332	$48,155	$552	$0	($552)

See Accompanying Notes to the General Purpose Financial Statements

Non-Expendable Trust Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
$0	$0	$0	$372,805	$377,014	$4,209
0	0	0	490,507	497,255	6,748
0	0	0	948,706	955,179	6,473
1,715	1,690	(25)	5,215	5,181	(34)
0	0	0	203,522	202,689	(833)
5,000	5,000	0	22,715	24,174	1,459
0	0	0	58,760	60,467	1,707
6,715	6,690	(25)	2,102,230	2,121,959	19,729
0	0	0	559,032	547,831	11,201
0	0	0	182,577	179,716	2,861
0	0	0	353,612	362,403	(8,791)
0	0	0	302,847	290,029	12,818
0	0	0	21,773	19,674	2,099
0	0	0	1,069,776	1,069,776	0
1,300	1,300	0	17,039	13,922	3,117
1,300	1,300	0	2,506,656	2,483,351	23,305
5,415	5,390	(25)	(404,426)	(361,392)	43,034
0	0	0	102,100	102,100	0
0	0	0	10,829	15,373	4,544
5,415	5,390	(25)	(291,497)	(243,919)	47,578
30,437	30,437	0	381,299	381,299	0
0	0	0	35,779	35,779	0
$35,852	$35,827	($25)	$125,581	$173,159	$47,578

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Proprietary Fund Types		Fiduciary Fund Type	Totals
	Enterprise	Internal Service	Non-Expendable Trust	(Memorandum Only)
Increase (Decrease) in Cash and Cash Equivalents:				
Cash Flows from Operating Activities:				
Cash Received from Tuition	$377,014	$0	$0	$377,014
Cash Received from Customers	497,255	0	0	497,255
Cash Received from Quasi-External Operating Transactions with Other Funds	0	955,179	0	955,179
Cash Received from Gifts and Donations	0	0	5,000	5,000
Cash Received from Other Revenues	14,260	46,207	0	60,467
Cash Payments for Salaries	(547,831)	0	0	(547,831)
Cash Payments for Fringe Benefits	(179,716)	0	0	(179,716)
Cash Payments to Suppliers for Goods and Services	(428,675)	(181,059)	0	(609,734)
Cash Payments for Claims	0	(1,069,776)	0	(1,069,776)
Cash Payments for Other Expenses	(12,622)	0	(1,300)	(13,922)
Net Cash Provided by (Used for) Operating Activities	(280,315)	(249,449)	3,700	(526,064)
Cash Flows from Noncapital Financing Activities:				
Cash Received from Operating Grants	202,689	0	0	202,689
Cash Received from Gifts and Donations	19,174	0	0	19,174
Cash Received from Operating Transfers In	102,100	0	0	102,100
Cash Received from Advances In	829	14,544	0	15,373
Net Cash Provided by Noncapital Financing Activities	324,792	14,544	0	339,336
Cash Flows from Capital and Related Financing Activities:				
Cash Payments for Fixed Assets	(18,882)	(1,455)	0	(20,337)
Cash Flows from Investing Activities:				
Cash Received from Interest	0	3,491	1,690	5,181
Net Increase (Decrease) in Cash and Cash Equivalents	25,595	(232,869)	5,390	(201,884)
Cash and Cash Equivalents at Beginning of Year	153,772	232,869	30,437	417,078
Cash and Cash Equivalents at End of Year	$179,367	$0	$35,827	$215,194
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	(302,322)	(314,392)	5,390	(611,324)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:				
Depreciation	17,044	225	0	17,269
Donated Commodities Used During Year	7,776	0	0	7,776
Interest Reported as Operating Income	0	0	(1,690)	(1,690)
Changes in Assets and Liabilities:				
Decrease in Accounts Receivable	1,951	0	0	1,951
Increase in Intergovernmental Receivable	(6,193)	0	0	(6,193)
Increase in Accounts Payable	9,183	324	0	9,507
Decrease in Accrued Wages and Benefits	(7,475)	0	0	(7,475)
Decrease in Compensated Absences Payable	(692)	0	0	(692)
Increase in Intergovernmental Payable	413	0	0	413
Increase in Claims Payable	0	64,394	0	64,394
Net Cash Provided by (Used for) Operating Activities	($280,315)	($249,449)	$3,700	($526,064)

Reconciliation of Non-Expendable Trust Funds Cash and Cash Equivalents to Balance Sheet:

All Fiduciary Fund Types	$488,419
Less Agency Funds	(19,384)
Less Expendable Trust Funds	(881)
Less External Investment Pool	(432,327)
Cash and Cash Equivalents Non-Expendable Trust Funds	$35,827

STATEMENT OF CHANGES IN NET ASSETS
FIDUCIARY FUND TYPE
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Investment Trust
Revenues:	
Interest	$6,246
Expenses:	
Operating Expenses	0
Net Increase in Assets Resulting from Operations	6,246
Distributions to Participants	(6,246)
Capital Transactions	348,516
Total Decrease in Net Assets	348,516
Net Assets at Beginning of Year - (Restated Note 3)	83,811
Net Assets at End of Year	$432,327

See Accompanying Notes to the General Purpose Financial Statements

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Tri-Rivers Joint Vocational School District (the "School District") is a distinct political subdivision of the State of Ohio operated under the direction of a thirteen member Board consisting of one representative from each of the participating school districts' elected boards. The Board possesses its own budgeting and taxing authority. The School District exposes students to job training skills leading to employment upon graduation from high school.

The School District was established in 1974. The School District serves Marion and the surrounding counties. It is staffed by eighty classified employees, ninety-eight certified teaching personnel, and eight administrative employees who provide services to seven hundred twenty-two students and other community members. The School District currently operates an instructional/administration building.

Reporting Entity:

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. There are no component units of the Tri-Rivers Joint Vocational School District.

The School District is associated with the Tri-Rivers Educational Computer Association (TRECA), a jointly governed organization, and the Ohio School Boards Association Workers' Compensation Group Rating Plan, an insurance pool. These organizations are presented in Notes 21 and 22 to the general purpose financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation - Fund Accounting

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation - Fund Accounting (Continued)

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

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

Governmental Fund Types:

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

General Fund

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

Special Revenue Funds

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

Debt Service Fund

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

Capital Projects Funds

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation - Fund Accounting (continued)

Proprietary Fund Types:

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

Enterprise Funds

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

Internal Service Fund

The internal service fund is used to account for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis.

Fiduciary Fund Types:

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include expendable trust, non-expendable trust, investment trust, and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Non-expendable and investment trust funds are accounted for in essentially the same manner as proprietary funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups:

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

General Fixed Assets Account Group

This account group is established to account for all fixed assets of the School District, other than those accounted for in proprietary funds or trust funds.

General Long-Term Obligations Account Group

This account group is established to account for all long-term obligations of the School District, except those accounted for in proprietary funds or trust funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting

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

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

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

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

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

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 1999, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2000 operations, have been recorded as deferred revenue.

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

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types, non-expendable and investment trust funds. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Budgetary Process

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

All funds, other than investment trust and agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education. Budgetary modifications at the function and object level within a fund are made by the School District Treasurer.

Tax Budget:

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

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

Estimated Resources:

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates, as determined by the County Budget Commission, and receives the commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered cash balances from the preceding fiscal year. The certificate of estimated resources may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate of estimated resources issued during fiscal year 1999.

Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources, based on final assessed values and tax rates, or a certificate saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board of Education at the fund level for all funds, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission, and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Budgetary Process (continued)

Appropriations: (continued)

The Board may pass supplemental fund appropriations as long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriation resolutions were legally enacted.

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

Encumbrances:

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental fund types and expendable trust funds and reported in the notes to the financial statements for proprietary fund types and non-expendable trust funds.

Lapsing of Appropriations:

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

D. Cash and Investments

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet.

During fiscal year 1999, investments were limited to repurchase agreements and STAR Ohio. Repurchase agreements are reported at cost. 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.

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 1999 amounted to $105,726, which includes $16,213 assigned from other School District funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Cash and Investments (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 an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

E. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 1999, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

F. Inventory

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

G. Restricted Assets

Restricted assets in the General Fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets represent amounts required by State statute to be set aside to create a reserve for budget stabilization.

H. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of two hundred dollars. The School District does not have any infrastructure.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Fixed Assets and Depreciation (continued)

All fixed assets are depreciated on the straight-line basis over their estimated useful lives. For governmental funds, depreciation does not represent a source or use of financial resources, and therefore is not recorded within the funds. Depreciation on general fixed assets is recorded in the general fixed assets account group as an increase to accumulated depreciation and a decrease to investment in general fixed assets. In proprietary funds, depreciation is recorded annually as an element in the determination of net income. The estimated useful lives of the School District's various asset categories are as follows:

Asset Category	Useful Lives (Years)
Buildings and Improvements	40
Furniture, Fixtures, and Equipment	10-20

Interest incurred during the construction of general fixed assets is not capitalized.

I. Interfund Assets/Liabilities

Short-term interfund loans are classified as "Interfund Receivables/Payables". Long-term interfund loans are classified as "Advances to/from Other Funds" and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources since they are not a component of net current assets.

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School 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 School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees with at least 25 years of service; with at least 20 years of service and at least 50 years of age; or with any amount of service and at least 55 years of age.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account "Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Accrued Liabilities and Long-Term Obligations

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

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

L. Contributed Capital

Contributed capital represents resources from other funds, other governments, and private sources provided to proprietary funds that is not subject to repayment. These assets are recorded at their fair market value on the date donated. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at fiscal year end.

M. Fund Balance Reserves and Designations

The School 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. Fund balance designations are established to indicate tentative plans for financial resource utilization in future periods. Unreserved, undesignated fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for property taxes, notes receivable, inventories of materials and supplies, budget stabilization, advances, contributions, external pool participants, and encumbrances.

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 monies required to be set aside by State statue to protect against cyclical changes in revenues and expenditures. The reserve for contributions signifies legal restrictions on the use of principal in the non-expendable trust funds. The reserve for external pool participants represents net assets held in trust for the external portion of the pool.

The designation for textbooks and capital improvements represents resources set aside in excess of those required by state statute.

N. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such grants awarded on a non-reimbursement basis, entitlements, and shared revenues 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 and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Intergovernmental Revenues (continued)

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

Entitlements
General Fund
State Foundation Program
State Property Tax Relief

Non-Reimbursable Grants
Special Revenue Funds
Career Development
Quality Enhancement
Professional Development
GTE North
Education Management Information System
Public School Preschool
School Net Buddy Program
Eisenhower
Vocational Educational Planning District (VEPD)
Combined Support Service
Technical Assistance
Title VI
Career Pathways
Agency Fund
Pell Grant

Reimbursable Grants
Special Revenue Fund
School to Work

Grants and entitlements amounted to approximately 55 percent of the revenues of the School District's governmental fund types during the 1999 fiscal year.

O. Interfund Transactions

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

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

P. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Total Columns on General Purpose Financial Statements

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

3. CORRECTION OF ERROR

The School District recorded a liability of a participant of the external investment pool, in the amount of $14,952, in the external investment trust fund. The correction of this error affected the net assets and total decrease in net assets of the external investment trust fund as follows:

Net Assets as Previously Reported	$68,859
Liability of Participant Recorded in Error	14,952
Restate Net Assets for the Fiscal Year Ended June 30, 1998	$83,811
Total Decrease in Net Assets	($360,925)
Liability of Participant Recorded in Error	14,952
Restated Total Decrease in Net Assets for the Fiscal Year Ended June 30, 1998	($345,973)

4. ACCOUNTABILITY AND COMPLIANCE

A. Accountability

The following funds had deficit fund balances/retained earnings/net assets at June 30, 1999.

Fund Type/Fund	Deficit
Special Revenue Funds:	
Public School Preschool	$8,121
VEPD	8,611
Internal Service Fund:	
Self Insurance	145,677
Investment Trust Fund:	
TRECA	85,647

The deficit fund balances in the special revenue funds at June 30, 1999, were 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.

4. ACCOUNTABILITY AND COMPLIANCE (continued)

A. Accountability (continued)

The deficit retained earnings in the internal service fund is due to current year claims expense in excess of premiums charged for insurance coverage.

The deficit net assets in the investment trust fund is due to a short-term interfund loan made to the fund from the General Fund.

B. Compliance

The General Fund had appropriations in excess of estimated resources plus available balances for the fiscal year ended June 30, 1999, in the amount of $155,471.

5. BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and expendable trust funds and as note disclosure in the proprietary fund types and non-expendable trust funds (GAAP basis).

4. For proprietary funds, the acquisition and construction of fixed assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

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

5. BUDGETARY BASIS OF ACCOUNTING (continued)

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

	Governmental Fund Types			
	General	Special Revenue	Capital Projects	Expendable Trust
GAAP Basis	($83,808)	($54,975)	($10,975)	$121
Increase (Decrease) Due To:				
Revenue Accruals:				
Accrued FY 1998, Received in Cash FY 1999	900,506	81,261	0	0
Accrued FY 1999, Not Yet Received in Cash	(454,189)	(79,514)	0	0
Expenditure Accruals:				
Accrued FY 1998, Paid in Cash FY 1999	(651,114)	(8,723)	0	0
Accrued FY 1999, Not Yet Paid in Cash	466,977	20,824	0	0
Prepaid Items	11,941	0	0	0
Advances In	114,085	165,978	0	0
Advances Out	(181,351)	(114,085)	0	0
Notes Receivable:				
Payments Received	0	0	0	480
New Notes	0	0	0	(626)
Encumbrances Outstanding at Year End (Budget Basis)	(1,087,062)	(47,413)	(11,144)	0
Budget Basis	($964,015)	($36,647)	($22,119)	($25)

5. BUDGETARY BASIS OF ACCOUNTING (continued)

Net Income (Loss)/Excess of Revenues Under Expenses, Transfers, and Advances
All Proprietary Fund Types

	Enterprise	Internal Service
GAAP Basis	$51,338	($311,468)
Increase (Decrease) Due To:		
Revenue Accruals:		
Accrued FY 1998, Received in Cash FY 1999	28,597	0
Accrued FY 1999, Not Yet Received in Cash	(56,301)	0
Expense Accruals:		
Accrued FY 1998, Paid in Cash FY 1999	(73,312)	(68,000)
Accrued FY 1999, Not Yet Paid in Cash	74,740	132,718
Acquisition of Fixed Assets	(18,882)	(1,455)
Depreciation Expense	17,044	225
Loss on Disposal of Fixed Assets	1,542	567
Advances In	829	14,544
Encumbrances Outstanding at Year End (Budget Basis)	(42,035)	0
Budget Basis	($16,440)	($232,869)

6. DEPOSITS AND INVESTMENTS

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

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

Inactive deposits are public deposits 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.

6. DEPOSITS AND INVESTMENTS (continued)

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

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

1. United States Treasury bills, bonds, notes, 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 obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

5. 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 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

6. Bonds and other obligations of the State of Ohio;

7. 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

8. The State Treasurer's investment pool (STAR Ohio).

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

At fiscal year end, the School District had $863 in undeposited cash on hand which is included on the balance sheet of the School District as part of "Equity in Pooled Cash and Cash Equivalents".

6. DEPOSITS AND INVESTMENTS (continued)

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".

At fiscal year end, the carrying amount of the School District's deposits was ($95,360) and the bank balance was $140,412. Of the bank balance, $101,229 was covered by federal depository insurance and $39,183 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

	Category 3	Carrying Amount	Fair Value
Repurchase Agreements	$1,325,000	$1,325,000	$1,325,141
STAR Ohio		786,008	786,008
Totals		$2,111,008	$2,111,149

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

A reconciliation between the classification of cash and cash equivalents and investments on the combined financial statements and the classification of deposits and investments according to GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	$2,016,511	$0
Cash on Hand	(863)	0
Investments:		
Repurchase Agreements	(1,325,000)	1,325,000
STAR Ohio	(786,008)	786,008
GASB Statement No. 3	($95,360)	$2,111,008

7. INVESTMENT POOL

By statute, the School District serves as fiscal agent for a separate legal entity. The School District pools the monies of this entity with the School District's monies for investment purposes. The School District cannot allocate its investments between the internal and external pools. The investment pool is not registered with the SEC as an investment company. The fair value of investments is determined annually. The pool does not issue shares. Each participant is allocated a pro rata share of each investment at fair value along with a pro rata share of the interest that it earns. The carrying amounts and fair value for both the internal and external investment pools are disclosed in Note 6 - Deposits and Investments.

Condensed financial information for the investment pool follows:

Statement of Net Assets
June 30, 1999

Assets:	
Equity in Pooled Cash and Cash Equivalents	$1,917,072
Restricted Assets:	
Equity in Pooled Cash and Cash Equivalents	99,439
Total Assets	$2,016,511
Net Assets Held in Trust for Pool Participants:	
Internal Portion	$1,584,184
External Portion	432,327
Total Net Assets Held in Trust for Pool Participants	$2,016,511

Statement of Changes in Net Assets
For the Fiscal Year Ended June 30, 1999

Revenues:	
Interest	$118,407
Expenses:	
Operating Expenses	0
Net Increase in Assets Resulting from Operations	118,407
Distributions to Participants	(118,407)
Capital Transactions	231,388
Total Increase in Net Assets	231,388
Net Assets at Beginning of Year	1,785,123
Net Assets at End of Year	$2,016,511

8. PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. All property is required to be revalued every six years. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Public utility property taxes, attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current fiscal year. Tangible personal property assessments are 25 percent of true value.

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

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

The School District receives property taxes from seven counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 1999, are available to finance fiscal year 1999 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, public utility property, and tangible personal property taxes which became measurable as of June 30, 1999. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 1999, and 1998, in the General Fund, was $444,586 and $858,864, respectively.

Accrued property taxes receivable also includes amounts for any late tax settlements made by the Counties. For fiscal year 1999, this amount equaled $14,876 in the General Fund. There were not any late property tax settlements in fiscal year 1998.

The assessed values upon which fiscal year 1999 taxes were collected are:

	1998 Second-Half Collections		1999 First-Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	$807,234,900	74.89 %	$943,202,290	75.90 %
Public Utility	103,921,260	9.64	103,692,840	8.34
Tangible Personal	166,781,235	15.47	195,796,270	15.76
Total Assessed Value	$1,077,937,395	100.00 %	$1,242,691,400	100.00 %
Tax rate per $1,000 of assessed valuation	$4.40		$4.40	

9. RECEIVABLES

Receivables at June 30, 1999, consisted of property taxes, accounts (rent, billings for user charged services, and student fees), intergovernmental, interfund, and notes receivable. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. Accounts receivable at June 30 were $13,125. Notes receivable, representing loans made to students for higher education, were $1,632 at June 30.

A summary of the principal items of intergovernmental receivables follows:

	Amount
General Fund:	
Elgin Local School District	$7,807
Miscellaneous	10
TRECA	517,974
Total General Fund	525,791
Special Revenue Funds:	
Career Development	$8,664
Quality Enhancement	3,000
Public School Preschool	7,100
VEPD	42,995
School to Work	17,755
Total Special Revenue Funds	79,514
Enterprise Funds:	
Rotary	$7,003
Adult Education	38,035
Total Enterprise Funds	45,038
Total Intergovernmental Receivables	$650,343

10. FIXED ASSETS

A summary of the proprietary funds' fixed assets at June 30, 1999, follows:

	Enterprise				Internal Service
	Food Service	Rotary	Adult Education	Total	Self Insurance
Furniture, Fixtures, and Equipment	$45,767	$50,807	$136,061	$232,635	$2,221
Less Accumulated Depreciation	(40,304)	(18,956)	(76,129)	(135,389)	(636)
Net Fixed Assets	$5,463	$31,851	$59,932	$97,246	$1,585

A summary of the changes in general fixed assets during fiscal year 1999 follows:

Asset Category	Balance at 6/30/98	Additions	Reduction s	Balance at 6/30/99
Land, Buildings, and Improvements	$7,277,881	$0	$0	$7,277,881
Furniture, Fixtures, and Equipment	2,140,719	370,699	(255,456)	2,255,962
Construction in Progress	0	296,332	0	296,332
Total Fixed Assets	9,418,600	667,031	(255,456)	9,830,175
Less: Accumulated Depreciation	(5,537,583)	(333,325)	203,634	(5,667,274)
Net Fixed Assets	$3,881,017	$333,706	($51,822)	$4,162,901

11. INTERFUND ASSETS/LIABILITIES

At June 30, 1999, receivables and payables that resulted from various interfund transactions were as follows:

	Receivable		Payable	
Fund Type/Fund	Interfund	Advances to	Interfund	Advances from
General Fund	$180,101	$3,352	$0	$0
Special Revenue Funds:				
Career Development	0	0	8,664	0
Quality Enhancement	0	0	3,000	0
Public School Preschool	0	0	7,100	0
VEPD	0	0	54,717	0
Other Grants	0	0	91,247	0
Total Special Revenue	0	0	164,728	0
Enterprise Fund:				
Rotary	0	0	829	3,352
Internal Service Fund:				
Self Insurance	0	0	14,544	0
Total All Funds	$180,101	$3,352	$180,101	$3,352

12. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 1999, the School District contracted for the following insurance coverages.

Coverages provided by Indiana Insurance Company:

Building and Contents - replacement cost ($1,000 deductible)	$25,854,182
Equipment Coverage ($100 deductible)	108,836
Electronic Data Equipment ($1,000 deductible)	1,135,735
Garage Keeper Coverage	100,000

Coverages provided by Nationwide Insurance Company:

General Liability	
Per Occurrence	$2,000,000
Total per Year	5,000,000

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.

12. RISK MANAGEMENT (continued)

For fiscal year 1999, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP.

The School District offers medical, prescription drug, dental, and vision insurance to all employees through a self-insured program. All funds of the School District participated in the program and made payments to the Self Insurance internal service fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The School District purchases stop loss insurance for claims in excess of coverage provided by the fund of $20,000 per individual and $980,000 per aggregate. Settled claims have not exceeded this coverage for the past three years. Claims payable is based on the requirements of Governmental Accounting Standards Board Statement No. 30, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Claims payable of $132,394 at June 30, 1999, includes $87,651 estimated by the third party administrator plus $44,743 accrued as a loss of claims paid.

The changes in the claims liability for the past two fiscal years are as follows:

	Beginning Balance	Current Year Claims and Changes in Estimates	Claims Payments	Ending Balance
1999	$68,000	$1,134,170	$1,069,776	$132,394
1998	65,000	578,092	575,092	68,000

13. SIGNIFICANT CONTRACTUAL COMMITMENTS

The School District has several outstanding contracts for professional services. The following amounts remained on these contracts at June 30, 1999:

Vendor	Contract Amount	Amount Paid as of 6/30/99	Outstanding Balance
Mansfield Asphalt	$114,160	$0	$114,160
J.F. Construction	347,000	198,317	148,683
Engel	56,980	17,158	39,822
Burris/Behne	61,750	56,841	4,909
Lake Erie Electric	100,449	35,512	64,937
Bowling Green Equipment	122,400	0	122,400
Pete Miller	71,500	4,370	67,130

14. DEFINED BENEFIT PENSION PLANS

1. State Teachers Retirement System

The School District 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 retirement and disability benefits, annual cost-of-living adjustments, and death benefits 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 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the School District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations for fiscal year 1999. For fiscal year 1998, 10.5 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 School District's required contribution for pension obligations to STRS for the fiscal years ended June 30, 1999, 1998, and 1997, were $268,440, $416,306, and $395,414, respectively; 83.9 percent has been contributed for fiscal year 1999 and 100 percent for fiscal years 1998 and 1997. The unpaid contribution for fiscal year 1999, in the amount of $43,225, is recorded as a liability within the respective funds.

2. School Employees Retirement System

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

14. DEFINED BENEFIT PENSION PLANS (continued)

2. School Employees Retirement System (continued)

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute an actuarially determined rate. The current rate is 14 percent of annual covered payroll; 7.7 percent was the portion used to fund pension obligations for fiscal year 1999. For fiscal year 1998, 9.02 percent was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The School District's required contribution for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998, and 1997, were $182,141, $139,352, and $100,878, respectively; 100 percent has been contributed for fiscal years 1999, 1998, and 1997.

3. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the State Teachers Retirement System or the School Employees Retirement System have an option to choose Social Security or the State Teachers Retirement System/School Employees Retirement System. As of June 30, 1999, ten members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

15. POSTEMPLOYMENT BENEFITS

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired classified 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 law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For fiscal year 1999, the Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund, an increase from 3.5 percent for fiscal year 1998. For the School District, this amount equaled $357,920 for fiscal year 1999.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was $2,156 million at June 30, 1998 (the latest information available). For the fiscal year ended June 30, 1998, net health care costs paid by STRS were $219,224,000, and STRS had 91,999 eligible benefit recipients.

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

15. POSTEMPLOYMENT BENEFITS (continued)

For this fiscal year, employer contributions to fund health care benefits were 6.3 percent of covered payroll, an increase from 4.98 percent for fiscal year 1998. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 1999, the minimum pay has been established at $12,400. For the School District, the amount to fund health care benefits, including the surcharge, was $160,581 for fiscal year 1999.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 125 percent of annual health care expenses. Expenses for health care at June 30 ,1998, were $111,900,575, and the target level was $139.9 million. At June 30, 1998, SERS had net assets available for payment of health care benefits of $160.3 million. SERS has approximately 50,000 participants currently receiving health care benefits.

16. EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components is derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at a rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of two hundred fifty days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of sixty days.

B. Insurance Benefits

The School District provides medical, prescription drug, dental, and vision insurance to all employees through a self-insured program. Life insurance and accidental death and dismemberment insurance is provided to most employees through Union Central.

17. CAPITALIZED LEASES - LESSEE DISCLOSURE

The School District has entered into capitalized leases for equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures on the combined financial statements for governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

General fixed assets acquired by lease have been capitalized in the general fixed assets account group, in the amount of $292,999. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in fiscal year 1999 were $92,481 in the governmental funds.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 1999.

17. CAPITALIZED LEASES - LESSEE DISCLOSURE (continued)

Fiscal Year Ending June 30,	GLTOAG
2000	$107,158
2001	107,157
Total	214,315
Less: Amount Representing Interest	(13,797)
Present Value of Net Minimum Lease Payments	$200,518

18. LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 1999 were as follows:

	Balance at 6/30/98	Additions	Reductions	Balance at 6/30/99
School Facilities Loan 1999 0.00%	$0	$440,415	$0	$440,415
General Obligation Bonds 1995 4.55% to 5.80%	480,000	0	60,000	420,000
Total Long-Term Obligations	480,000	440,415	60,000	860,415
Compensated Absences Payable	190,337	0	7,642	182,695
Intergovernmental Payable	6,570	6,989	6,570	6,989
Capital Leases Payable	292,999	0	92,481	200,518
Total General Long-Term Obligations	$969,906	$447,404	$166,693	$1,250,617

School Facilities Loan

On March 29, 1999, the School District obtained a loan from the State Department of Education, in the amount of $440,415, for building construction. This is an interest free loan. The loan was obtained under the authority of Ohio Revised Code Sections 3317.21 and 3317.22 for a fifteen year period, with final maturity during fiscal year 2014. The loan is being retired through the debt service fund.

General Obligation Bonds

On June 27, 1995, the School District issued $630,000 in unvoted general obligation bonds for providing energy conservation measures for the School District. The bonds were issued under the authority of Ohio Revised Code Sections 133.06(G) and 3313.372 for a ten year period, with final maturity during fiscal year 2005. The bonds are being retired through the debt service fund.

18. LONG-TERM OBLIGATIONS (continued)

Compensated absences and the intergovernmental payables, representing the School District's contractually required pension contributions, will be paid from the fund from which the employees' salaries are paid. Capital leases will be paid from the General Fund.

The School District's overall debt margin was $111,401,811 with an unvoted debt margin of $802,276 at June 30, 1999.

Principal and interest requirements to retire general obligation debt outstanding at June 30, 1999, were as follows:

Fiscal Year	Principal	Interest	Total
2000	$89,361	$23,698	$113,059
2001	94,361	20,398	114,759
2002	99,361	16,790	116,151
2003	99,361	12,870	112,231
2004	104,361	8,916	113,277
2005 - 2009	226,805	4,640	231,445
2010 - 2014	146,805	0	146,805
	$860,415	$87,312	947,727

19. RESERVATIONS OF FUND BALANCE

The School 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 the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end. These amounts must be carried forward and used for the same purposes in future years. In addition, the School District is required to set aside money for budget stabilization.

The following cash basis information identifies the changes in the fund balance reserves for textbooks, capital improvements, and budget stabilization during fiscal year 1999.

	Textbooks	Capital Improvements	Budget Stabilization	Total
Balance June 30, 1998	$0	$0	$40,294	$40,294
Current Year Set Aside Requirement	124,910	124,910	62,455	312,275
Qualifying Expenditures	(124,910)	(124,910)	0	(249,820)
Balance June 30, 1999	$0	$0	$102,749	102,749
Total Restricted Assets				$102,749

19. RESERVATIONS OF FUND BALANCE (continued)

Amounts of qualifying expenditures presented in the table were limited to those necessary to reduce the year end balance to zero. Although the School District may have had additional qualifying expenditures during the year, by rule, these amounts may not be used to reduce the set aside requirements of future years and are therefore not presented.

20. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The School District maintains four enterprise funds to account for the operations of food service, uniform school supplies, rotary, and adult education. The table below reflects the more significant financial data relating to the enterprise funds of the Tri-Rivers Joint Vocational School District as of and for the fiscal year ended June 30, 1999.

Description	Food Service	Uniform School Supply	Rotary	Adult Education	Totals
Operating Revenues	$111,518	$91,641	$211,956	$477,655	$892,770
Depreciation Expense	637	0	4,920	11,487	17,044
Operating Income (Loss)	(34,397)	20,404	(8,226)	(280,103)	(302,322)
Federal Donated Commodities	7,776	0	0	0	7,776
Operating Grants	27,477	0	9,385	189,290	226,152
Operating Transfers In	0	0	2,100	100,000	102,100
Net Income	856	20,404	3,076	27,002	51,338
Fixed Asset Additions	3,097	0	6,210	9,575	18,882
Fixed Asset Disposals	0	0	250	4,523	4,773
Net Working Capital	9,808	49,920	48,030	67,383	175,141
Total Assets	34,407	50,848	96,005	153,356	334,616
Total Equity	15,271	49,920	76,529	112,273	253,993
Encumbrances Outstanding at Year End (Budget Basis)	17,526	918	10,983	12,608	42,035

21. JOINTLY GOVERNED ORGANIZATION

Tri-Rivers Educational Computer Association

The School District is a participant in the Tri-Rivers Educational Computer Association (TRECA), which is a computer consortium. TRECA is an association of public school districts within the boundaries of Delaware, Marion, Morrow, and Wyandot Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of TRECA consists of two representatives from each county elected by majority vote of all charter member school districts within each county. Financial information can be obtained from Mike Carder, who serves as Director, 2222 Marion-Mt. Gilead Road, Marion, Ohio 43302.

22. INSURANCE POOL

Ohio School Boards Association Workers' Compensation Group Rating Plan

The School District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP) was established through the Ohio School Boards Association (OSBA) as an insurance purchasing pool.

The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the GRP. Each year, the participants pay an enrollment fee to the GRP to cover the costs of administering the program.

23. STATE SCHOOL FUNDING DECISION

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's Legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "School Foundation Program", which provides significant monetary support to the School District. During the fiscal year ended June 30, 1999, the School District received $3,052,040 of school foundation support for its General Fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State Legislature in an attempt to address the issues identified by the Court. The Court of Common of Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. As of the date of these financial statements, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, school districts are still operating under the laws that the Court of Common Pleas declared unconstitutional.

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

24. CONTINGENCIES

1. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 1999.

2. Litigation

There are currently no matters in litigation with the School District as defendant.

25. SUBSEQUENT EVENTS

The District participates in a health care self-insurance program administered by a third-party administrator. During fiscal year 1999, $44,734 of claims incurred by District employees and funded by the District was not paid to service providers. The District's statutory legal counsel has stated that a loss of the unfunded claims is probable. Accordingly, this amount has been accrued in the District's financial statement.

A special audit of the third-party administrator is currently being conducted to determine the extent of the unpaid claims and insurance costs. The District's statutory legal counsel has stated that a loss of the unpaid claims is probable. The District may possibly recover a portion of its lost funds from the third party administrator's bonding company.

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1999

Federal Grantor/ *Pass Through Grantor* Program Title	CFDA #	Pass Through Entity Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
Passed through the Ohio Department of Education:						
Child Nutrition Cluster:						
Food Distribution	10.550	N/A	$ —	$ 7,644	$ —	$ 5,520
National School Lunch Program	10.555	065268 03-PU 00 065268 04-PU 00	26,298	—	26,298	—
Total U.S. Department of Agriculture - Child Nutrition Cluster			26,298	7,644	26,298	5,520
U.S. DEPARTMENT OF LABOR						
Passed through the Ohio Bureau of Employment Services:						
Employment Services and Job Training	17.249	065268 WK-BE 00	195,818	—	215,097	—
U.S. DEPARTMENT OF EDUCATION						
Student Financial Assistance Cluster:						
Federal Pell Grant Program	84.063	N/A	83,640	—	83,640	—
Federal Direct Student Loan	84.268	N/A	60,002	—	61,072	—
Total Student Financial Assistance Cluster			143,642	—	144,712	—
Passed through the Ohio Department of Education:						
Vocational Education Basic Grants to States	84.048	065268 20-A4 00 065268 20-C1 00 065268 20-C2 00	358,472	—	363,024	—
Eisenhower Professional Development State Grant	84.281	065268 MS-S1 99	1,779	—	3,563	—
Innovative Education Program Strategies	84.298	065268 C2-S1 99	2,756	—	3,194	—
Total U.S. Department of Education			506,649	—	514,493	—
Total Federal Awards			$ 728,765	$ 7,644	$ 755,888	$ 5,520

NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1999

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the schedule at fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed that federal monies are expended first. At June 30, 1999, the District had no significant food commodities in inventory.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Tri-Rivers Joint Vocational School District
2222 Marion-Mt. Gilead Road
Marion, Ohio 43302

To the Board of Education:

We have audited the financial statements of Tri-Rivers Joint Vocational School District, Marion County, Ohio, (the District) as of and for the year ended June 30, 1999, and have issued our report thereon dated December 16, 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 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 1999-10651-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 16, 1999.

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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Districts ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 1999-10651-002.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 16, 1999.

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

JIM PETRO
Auditor of State

December 16, 1999

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

Tri-Rivers Joint Vocational School District
2222 Marion-Mt. Gilead Road
Marion, Ohio 43302

To the Board of Education:

Compliance

We have audited the compliance of the Tri-Rivers Joint Vocational School District, Marion County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 1999. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1999. We noted a certain instance of noncompliance that does not require inclusion in this report that we have reported to the management of the District in a separate letter dated December 16, 1999.

Internal Control Over Compliance

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

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

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

JIM PETRO
Auditor of State

December 16, 1999

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505

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 (GAGAS)?**	No
(d)(1)(ii)	**Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(iii)	**Was there any reported material non-compliance at the financial statement level (GAGAS)?**	Yes
(d)(1)(iv)	**Were there any material internal control weakness conditions reported for major federal programs?**	No
(d)(1)(iv)	**Were there any other reportable internal control weakness conditions reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unqualified
(d)(1)(vi)	**Are there any reportable findings under § .510?**	No
(d)(1)(vii)	**Major Programs (list):**	CFDA # 17.249 - Employment Services and Job Training
(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

Finding Number	1999-10651-001

412 Certificates

Ohio Rev. Code Section 5705.412 states that no school district shall adopt any appropriation measure, make any contract, give any order involving the expenditure of money, or increase during any school year any wage or salary schedule unless there is attached thereto a certificate signed by the treasurer and president of the board of education and the superintendent that the school district has in effect for the remainder of the fiscal year and the succeeding fiscal year the authorization to levy taxes including the renewal or replacement of existing levies which, when combined with the estimated revenue from all other sources available to the district at the time of certification, are sufficient to provide the operating revenues necessary to enable the district to maintain all personnel, programs, and services essential to the provision of an adequate educational program for all the days set forth in its adopted school calendars for the current fiscal year and for a number of days in the succeeding fiscal year equal to the number of days instruction was held or is scheduled for the current fiscal year.

Every contract made, order given, or schedule adopted or put into effect without such a certificate shall be void, and no payment of any amount due thereon shall be made.

The District entered into significant contracts with J&F Construction, Lake Erie Electric, Engel Service, Pete Miller Construction, BGE Company, Mansfield Asphalt, and Burris & Behne Architects without executing a certificate signed by the Treasurer, President of the Board of Education, and Superintendent.

We recommend that a 412 certificate be completed and signed by the Treasurer, Superintendent, and Board President at the time the Board of Education adopts any appropriation measure, makes any contract, gives any order involving the expenditure of money, or increases during any school year any wage or salary schedule.

Finding Number	1999-10651-002

SAS 70 Report

The Tri-Rivers Joint Vocational School District has delegated employees' health insurance claims processing, which is a significant accounting function, to a third-party administrator. The District has not established procedures to reasonably determine that health insurance claims have been completely and accurately processed in accordance with the health insurance contract.

We recommend that the District implement procedures to reasonably assure the completeness and accuracy, including eligibility and allowability, of health insurance claims processed by its third-party administrator. Statement on Auditing Standards No. 70 prescribes testing and reporting standards for audits of claims processing controls which should satisfy this requirement. As described in that Statement, we recommend that the District obtain a Report on Policies and Procedures Placed in Operation and Tests of Operating Effectiveness from the third party administrator. Such a report, if unqualified, would provide evidence to the District's management that health insurance claims are being processed in conformance with the contract.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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TRI RIVERS JOINT VOCATIONAL SCHOOL DISTRICT

MARION COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MARCH 16, 2000