



**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Knox County Career Center
Knox County
306 Martinsburg Road
Mt. Vernon, Ohio 43050

To the Board of Education:

We have audited the accompanying general purpose financial statements of the Knox County Career Center, Knox County, Ohio, (the Center) as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the Center'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 Knox County Career Center, Knox County, Ohio, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types and non-expendable trust fund 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 15, 2000 on our consideration of the Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Center, 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 15, 2000

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2000**

	<u>Governmental Fund Types</u>		<u>Proprietary Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Internal Service</u>
Assets and Other Debits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$5,017,453	\$77,823	\$91,460	\$319
Receivables:				
Taxes	4,387,616	0	0	0
Accounts	14,307	0	30,297	0
Intergovernmental	0	29,453	0	0
Interfund	76,232	0	0	0
Inventory Held for Resale	0	0	3,374	0
Materials and Supplies Inventory	14,293	0	0	0
Prepaid Items	22,000	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	145,462	0	0	0
Fixed Assets (net, where applicable, of accumulated depreciation)	0	0	49,083	0
Other Debit				
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	<u>\$9,677,363</u>	<u>\$107,276</u>	<u>\$174,214</u>	<u>\$319</u>

(Continued)

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2000
(Continued)**

	<u>Fiduciary Fund Types</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
Assets and Other Debits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$40,749	\$0	\$0	\$5,227,804
Receivables:				
Taxes	0	0	0	4,387,616
Accounts	0	0	0	44,604
Intergovernmental	0	0	0	29,453
Interfund	0	0	0	76,232
Inventory Held for Resale	0	0	0	3,374
Materials and Supplies Inventory	0	0	0	14,293
Prepaid Items	0	0	0	22,000
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	0	0	0	145,462
Fixed Assets (net, where applicable, of accumulated depreciation)	0	5,652,546	0	5,701,629
Other Debit				
Amount to be Provided from General Government Resources	0	0	863,301	863,301
Total Assets and Other Debits	<u>\$40,749</u>	<u>\$5,652,546</u>	<u>\$863,301</u>	<u>\$16,515,768</u>

(Continued)

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2000
(Continued)**

	<u>Governmental Fund Types</u>		<u>Proprietary Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Internal Service</u>
<i>Liabilities, Fund Equity and Other Credits</i>				
Liabilities				
Accounts Payable	\$23,041	\$2,614	\$5,780	\$0
Accrued Wages Payable	381,736	14,264	32,692	0
Compensated Absences Payable	10,187	0	71,235	0
Interfund Payable	0	31,830	30,000	1,000
Intergovernmental Payable	6,811	442	3,171	0
Deferred Revenue	3,335,366	0	2,129	0
Due to Students	0	0	0	0
Claims Payable	0	0	0	82,100
Energy Conservation Bonds Payable	0	0	0	0
<i>Total Liabilities</i>	<u>3,757,141</u>	<u>49,150</u>	<u>145,007</u>	<u>83,100</u>
Fund Equity and Other Credits				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved (Deficit)	0	0	29,207	(82,781)
Fund Balance:				
Reserved for Encumbrances	134,099	23,667	0	0
Reserved for Inventory	14,293	0	0	0
Reserved for Property Taxes	1,052,250	0	0	0
Reserved for Endowments	0	0	0	0
Reserved for Budget Stabilization	145,462	0	0	0
Unreserved, Undesignated	4,574,118	34,459	0	0
<i>Total Fund Equity (Deficit) and Other Credits</i>	<u>5,920,222</u>	<u>58,126</u>	<u>29,207</u>	<u>(82,781)</u>
<i>Total Liabilities, Fund Equity and Other Credits</i>	<u><u>\$9,677,363</u></u>	<u><u>\$107,276</u></u>	<u><u>\$174,214</u></u>	<u><u>\$319</u></u>

(Continued)

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2000
(Continued)**

	<u>Fiduciary Fund Types</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
<i>Liabilities, Fund Equity and Other Credits</i>				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$31,435
Accrued Wages Payable	0	0	0	428,692
Compensated Absences Payable	0	0	235,380	316,802
Interfund Payable	13,402	0	0	76,232
Intergovernmental Payable	0	0	11,263	21,687
Deferred Revenue	0	0	0	3,337,495
Due to Students	14,414	0	0	14,414
Claims Payable	0	0	0	82,100
Energy Conservation Bonds Payable	0	0	616,658	616,658
<i>Total Liabilities</i>	<u>27,816</u>	<u>0</u>	<u>863,301</u>	<u>4,925,515</u>
Fund Equity and Other Credits				
Investment in General Fixed Assets	0	5,652,546	0	5,652,546
Retained Earnings:				
Unreserved (Deficit)	0	0	0	(53,574)
Fund Balance:				
Reserved for Encumbrances	0	0	0	157,766
Reserved for Inventory	0	0	0	14,293
Reserved for Property Taxes	0	0	0	1,052,250
Reserved for Endowments	11,818	0	0	11,818
Reserved for Budget Stabilization	0	0	0	145,462
Unreserved, Undesignated	1,115	0	0	4,609,692
<i>Total Fund Equity (Deficit) and Other Credits</i>	<u>12,933</u>	<u>5,652,546</u>	<u>0</u>	<u>11,590,253</u>
<i>Total Liabilities, Fund Equity and Other Credits</i>	<u><u>\$40,749</u></u>	<u><u>\$5,652,546</u></u>	<u><u>\$863,301</u></u>	<u><u>\$16,515,768</u></u>

See accompanying notes to the general purpose financial statements

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
JUNE 30, 2000**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
Revenues					
Taxes	\$3,352,934	\$0	\$0	\$0	\$3,352,934
Intergovernmental	2,774,301	457,781	0	0	3,232,082
Interest	273,373	459	0	0	273,832
Customer Services	54,341	0	0	0	54,341
Tuition and Fees	8,312	22,980	0	0	31,292
Rentals	40	0	0	0	40
Donations	3,022	30,069	0	979	34,070
Miscellaneous	84,089	1,585	0	0	85,674
Total Revenues	6,550,412	512,874	0	979	7,064,265
Expenditures					
Current:					
Instruction:					
Regular	37,388	109,364	0	0	146,752
Vocational	2,921,483	67,322	0	0	2,988,805
Adult/Continuing	2,547	78,361	0	0	80,908
Support Services:					
Pupils	312,419	121,494	0	1,510	435,423
Instructional Staff	409,630	131,229	0	0	540,859
Board of Education	9,449	0	0	0	9,449
Administration	586,621	23,439	0	0	610,060
Fiscal	278,635	56	0	0	278,691
Business	79,440	0	0	0	79,440
Operation and Maintenance of Plant	744,811	28,921	0	0	773,732
Pupil Transportation	0	42	0	0	42
Central	1,156	34,022	0	0	35,178
Extracurricular Activities	13,660	0	0	0	13,660
Capital Outlay	2,893	0	9,868	0	12,761
Intergovernmental	9,407	0	0	0	9,407
Debt Service:					
Principal Retirement	69,810	0	0	0	69,810
Interest and Fiscal Charges	33,883	0	0	0	33,883
Total Expenditures	5,513,232	594,250	9,868	1,510	6,118,860
Excess of Revenues Over (Under) Expenditures	1,037,180	(81,376)	(9,868)	(531)	945,405
Other Financing Sources (Uses)					
Proceeds from Sale of Fixed Assets	1,365	0	0	0	1,365
Operating Transfers In	0	41,405	0	0	41,405
Operating Transfers Out	(182,405)	0	0	0	(182,405)
Total Other Financing Sources (Uses)	(181,040)	41,405	0	0	(139,635)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	856,140	(39,971)	(9,868)	(531)	805,770
Fund Balances Beginning of Year	5,070,161	98,097	9,868	531	5,178,657
Decrease in Materials and Supplies Inventory	(6,079)	0	0	0	(6,079)
Fund Balances End of Year	\$5,920,222	\$58,126	\$0	\$0	\$5,984,427

See accompanying notes to the general purpose financial statements

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
JUNE 30, 2000**

	General			Special Revenue		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes	\$3,200,000	\$3,289,657	\$89,657	\$0	\$0	\$0
Intergovernmental	2,565,000	2,774,301	209,301	464,264	442,334	(21,930)
Interest	225,000	272,738	47,738	1,300	459	(841)
Customer Services	52,000	51,853	(147)	0	0	0
Tuition and Fees	10,000	10,044	44	25,592	22,980	(2,612)
Rentals	0	40	40	0	0	0
Donations	500	3,022	2,522	38,870	30,069	(8,801)
Miscellaneous	52,322	71,335	19,013	0	0	0
Total Revenues	<u>6,104,822</u>	<u>6,472,990</u>	<u>368,168</u>	<u>530,026</u>	<u>495,842</u>	<u>(34,184)</u>
Expenditures						
Current:						
Instruction:						
Regular	49,209	37,909	11,300	133,365	131,855	1,510
Vocational	3,223,038	3,103,896	119,142	73,105	71,257	1,848
Adult/Continuing	4,226	2,547	1,679	97,935	82,953	14,982
Support Services:						
Pupils	341,224	319,994	21,230	132,388	129,953	2,435
Instructional Staff	434,709	427,086	7,623	143,519	133,730	9,789
Board of Education	11,800	9,449	2,351	0	0	0
Administration	805,270	605,975	199,295	23,858	23,398	460
Fiscal	336,923	283,774	53,149	84	76	8
Business	108,995	83,534	25,461	0	0	0
Operation and Maintenance of Plant	1,094,238	778,109	316,129	47,500	29,874	17,626
Pupil Transportation	0	0	0	42	42	0
Central	1,160	1,156	4	38,844	38,844	0
Operation of Non-Instructional Services	0	0	0	100	0	100
Extracurricular Activities	13,942	13,845	97	0	0	0
Capital Outlay	45,950	2,894	43,056	0	0	0
Debt Service:						
Principal Retirement	70,000	69,810	190	0	0	0
Interest and Fiscal Charges	35,000	33,883	1,117	0	0	0
Total Expenditures	<u>6,575,684</u>	<u>5,773,861</u>	<u>801,823</u>	<u>690,740</u>	<u>641,982</u>	<u>48,758</u>
<i>Excess of Revenues Over (Under)</i>						
<i>Expenditures</i>	(470,862)	699,129	1,169,991	(160,714)	(146,140)	14,574
Other Financing Sources (Uses)						
Other Financing Uses	(67,058)	0	67,058	0	0	0
Other Financing Sources	0	118	118	31,917	31,917	0
Proceeds from Sale of Fixed Assets	500	1,365	865	0	0	0
Refund of Prior Year Receipts	(500)	0	500	0	0	0
Refund of Prior Year Expenditures	500	4,499	3,999	1,209	1,585	376
Advances In	130,000	109,467	(20,533)	23,115	49,115	26,000
Advances Out	(77,252)	(76,715)	537	(86,867)	(84,867)	2,000
Operating Transfers In	0	0	0	37,350	41,405	4,055
Operating Transfers Out	(201,715)	(191,812)	9,903	0	0	0
Total Other Financing Sources (Uses)	<u>(215,525)</u>	<u>(153,078)</u>	<u>62,447</u>	<u>6,724</u>	<u>39,155</u>	<u>32,431</u>
<i>Excess of Revenues and Other</i>						
<i>Financing Sources Over (Under)</i>						
<i>Expenditures and Other Financing Uses</i>	(686,387)	546,051	1,232,438	(153,990)	(106,985)	47,005
<i>Fund Balances Beginning of Year</i>	4,297,311	4,297,311	0	125,587	125,587	0
<i>Prior Year Encumbrances Appropriated</i>	143,941	143,941	0	33,128	33,128	0
Fund Balances End of Year	<u>\$3,754,865</u>	<u>\$4,987,303</u>	<u>\$1,232,438</u>	<u>\$4,725</u>	<u>\$51,730</u>	<u>\$47,005</u>

(Continued)

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
JUNE 30, 2000
(Continued)**

	Capital Projects			Expendable Trust		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Intergovernmental	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Customer Services	0	0	0	0	0	0
Tuition and Fees	0	0	0	0	0	0
Rentals	0	0	0	0	0	0
Donations	0	0	0	1,000	979	(21)
Miscellaneous	0	0	0	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,000</u>	<u>979</u>	<u>(21)</u>
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	1,510	1,510	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	9,868	9,868	0	0	0	0
Pupil Transportation	0	0	0	0	0	0
Central	0	0	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0	0
Capital Outlay	0	0	0	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	<u>9,868</u>	<u>9,868</u>	<u>0</u>	<u>1,510</u>	<u>1,510</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(9,868)</u>	<u>(9,868)</u>	<u>0</u>	<u>(510)</u>	<u>(531)</u>	<u>(21)</u>
Other Financing Sources (Uses)						
Proceeds of Notes	0	0	0	0	0	0
Proceeds of Bonds	0	0	0	0	0	0
Proceeds from Sale of Fixed Assets	0	0	0	0	0	0
Refund of Prior Year Receipts	0	0	0	0	0	0
Refund of Prior Year Expenditures	0	0	0	0	0	0
Advances In	0	0	0	0	0	0
Advances Out	0	0	0	0	0	0
Operating Transfers In	0	0	0	0	0	0
Operating Transfers Out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(9,868)</u>	<u>(9,868)</u>	<u>0</u>	<u>(510)</u>	<u>(531)</u>	<u>(21)</u>
<i>Fund Balances Beginning of Year</i>	9,868	9,868	0	531	531	0
<i>Prior Year Encumbrances Appropriated</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$21</u>	<u>\$0</u>	<u>(\$21)</u>

(Continued)

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**COMBINES STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
JUNE 30, 2000
(Continued)**

	Totals (Memorandum Only)		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$3,200,000	\$3,289,657	89,657
Intergovernmental	3,029,264	3,216,635	187,371
Interest	226,300	273,197	46,897
Customer Services	52,000	51,853	(147)
Tuition and Fees	35,592	33,024	(2,568)
Rentals	0	40	40
Donations	40,370	34,070	(6,300)
Miscellaneous	52,322	71,335	19,013
<i>Total Revenues</i>	6,635,848	6,969,811	333,963
Expenditures			
Current:			
Instruction:			
Regular	182,574	169,764	12,810
Vocational	3,296,143	3,175,153	120,990
Adult/Continuing	102,161	85,500	16,661
Support Services:			
Pupils	475,122	451,457	23,665
Instructional Staff	578,228	560,816	17,412
Board of Education	11,800	9,449	2,351
Administration	829,128	629,373	199,755
Fiscal	337,007	283,850	53,157
Business	108,995	83,534	25,461
Operation and Maintenance of Plant	1,151,606	817,851	333,755
Pupil Transportation	42	42	0
Central	40,004	40,000	4
Operation of Non-Instructional Services	100	0	100
Extracurricular Activities	13,942	13,845	97
Capital Outlay	45,950	2,894	43,056
Debt Service:			
Principal Retirement	70,000	69,810	190
Interest and Fiscal Charges	35,000	33,883	1,117
<i>Total Expenditures</i>	7,277,802	6,427,221	850,581
<i>Excess of Revenues Over (Under) Expenditures</i>	(641,954)	542,590	1,184,544
Other Financing Sources (Uses)			
Other Financing Uses	(67,058)	0	67,058
Proceeds of Bonds	31,917	32,035	118
Proceeds from Sale of Fixed Assets	500	1,365	865
Refund of Prior Year Receipts	(500)	0	500
Refund of Prior Year Expenditures	1,709	6,084	4,375
Advances In	153,115	158,582	5,467
Advances Out	(164,119)	(161,582)	2,537
Operating Transfers In	37,350	41,405	4,055
Operating Transfers Out	(201,715)	(191,812)	9,903
<i>Total Other Financing Sources (Uses)</i>	(208,801)	(113,923)	94,878
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(850,755)	428,667	1,279,422
<i>Fund Balances Beginning of Year</i>	4,433,297	4,433,297	0
<i>Prior Year Encumbrances Appropriated</i>	177,069	177,069	0
<i>Fund Balances End of Year</i>	\$3,759,611	\$5,039,033	\$1,279,422

See accompanying notes to the general purpose financial statements

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**COMBINES STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
RETAINED EARNINGS/FUND BALANCE - ALL PROPRIETARY
FUND TYPES AND NON-EXPENDABLE TRUST FUND
JUNE 30, 2000**

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Non-Expendable Trust</u>	<u>Totals (Memorandum Only)</u>
Operating Revenues				
Sales	\$226,491	\$0	\$0	\$226,491
Tuition	431,178	0	0	431,178
Charges for Services	43,213	476,350	0	519,563
Donations	0	0	200	200
Interest	0	0	697	697
Other	26,139	4,078	0	30,217
<i>Total Operating Revenues</i>	<u>727,021</u>	<u>480,428</u>	<u>897</u>	<u>1,208,346</u>
Operating Expenses				
Salaries and Wages	609,918	0	0	609,918
Fringe Benefits	151,560	0	0	151,560
Purchased Services	84,937	410,056	0	494,993
Materials and Supplies	112,413	0	0	112,413
Cost of Sales	84,032	0	0	84,032
Claims	0	137,939	0	137,939
Other	2,142	0	250	2,392
Depreciation	6,446	0	0	6,446
<i>Total Operating Expenses</i>	<u>1,051,448</u>	<u>547,995</u>	<u>250</u>	<u>1,599,693</u>
<i>Operating Income (Loss)</i>	<u>(324,427)</u>	<u>(67,567)</u>	<u>647</u>	<u>(391,347)</u>
Non-Operating Revenues				
Donated Commodities	9,884	0	0	9,884
Interest	173	1,382	0	1,555
Operating Grants	227,116	0	0	227,116
Other	100	0	0	100
<i>Total Non-Operating Revenues</i>	<u>237,273</u>	<u>1,382</u>	<u>0</u>	<u>238,655</u>
<i>Income (Loss) Before Operating Transfers</i>	<u>(87,154)</u>	<u>(66,185)</u>	<u>647</u>	<u>(152,692)</u>
Operating Transfers In	<u>141,000</u>	<u>0</u>	<u>0</u>	<u>141,000</u>
<i>Net Income (Loss)</i>	<u>53,846</u>	<u>(66,185)</u>	<u>647</u>	<u>(11,692)</u>
<i>Retained Earnings/Fund Balance (Deficit) Beginning of Year</i>	<u>(24,639)</u>	<u>(16,596)</u>	<u>12,286</u>	<u>(28,949)</u>
<i>Retained Earnings/Fund Balance (Deficit) End of Year</i>	<u>\$29,207</u>	<u>(\$82,781)</u>	<u>\$12,933</u>	<u>(\$40,641)</u>

See accompanying notes to the general purpose financial statements

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND EQUITY BUDGET (NON-GAAP BASIS) AND ACTUAL - ALL PROPRIETARY
FUND TYPES AND NON EXPENDABLE TRUST FUNDS
JUNE 30, 2000**

	Enterprise			Internal Service		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Sales	\$227,014	\$226,491	(\$523)	\$0	\$0	\$0
Tuition	445,000	429,386	(15,614)	0	0	0
Charges for Services	100,500	43,213	(57,287)	477,500	476,350	(1,150)
Donations	0	0	0	0	0	0
Interest	100	173	73	1,500	1,382	(118)
Operating Grants	219,000	230,367	11,367	0	0	0
Other	5,000	9,427	4,427	15,000	14,325	(675)
<i>Total Revenues</i>	<u>996,614</u>	<u>939,057</u>	<u>(57,557)</u>	<u>494,000</u>	<u>492,057</u>	<u>(1,943)</u>
Expenses						
Salaries and Wages	668,881	647,203	21,678	0	0	0
Fringe Benefits	165,383	151,093	14,290	116,000	115,838	162
Purchased Services	100,073	81,253	18,820	410,156	410,056	100
Materials and Supplies	197,078	185,436	11,642	0	0	0
Capital Outlay	14,042	13,553	489	0	0	0
Other	3,187	2,259	928	0	0	0
<i>Total Expenses</i>	<u>1,148,644</u>	<u>1,080,797</u>	<u>67,847</u>	<u>526,156</u>	<u>525,894</u>	<u>262</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(152,030)	(141,740)	10,290	(32,156)	(33,837)	(1,681)
Operating Transfers In	65,000	141,000	76,000	0	0	0
Advances Out	0	0	0	(1,000)	(1,000)	0
Advances In	50,000	25,000	(25,000)	0	2,000	2,000
<i>Excess of Revenues and Operating Transfers In and Advances In Over (Under) Expenses and Advances Out</i>	(37,030)	24,260	61,290	(33,156)	(32,837)	319
<i>Fund Equity Beginning of Year</i>	50,668	50,668	0	33,156	33,156	0
Prior Year Encumbrances Appropriated	8,063	8,063	0	0	0	0
<i>Fund Equity End of Year</i>	<u>\$21,701</u>	<u>\$82,991</u>	<u>\$61,290</u>	<u>\$0</u>	<u>\$319</u>	<u>\$319</u>

(Continued)

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND EQUITY BUDGET (NON-GAAP BASIS) AND ACTUAL - ALL PROPRIETARY
FUND TYPES AND NON-EXPENDABLE TRUST FUNDS
JUNE 30, 2000
(Continued)**

	Non-Expendable Trust			Totals (Memorandum Only)		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Sales	\$0	\$0	\$0	\$227,014	\$226,491	(\$523)
Tuition	0	0	0	445,000	429,386	(15,614)
Charges for Services	0	0	0	578,000	519,563	(58,437)
Donations	0	200	200	0	200	200
Interest	500	697	197	2,100	2,252	152
Operating Grants	0	0	0	219,000	230,367	11,367
Other	0	0	0	20,000	23,752	3,752
<i>Total Revenues</i>	<u>500</u>	<u>897</u>	<u>397</u>	<u>1,491,114</u> *	<u>1,432,011</u>	<u>(59,103)</u>
Expenses						
Salaries and Wages	0	0	0	668,881	647,203	21,678
Fringe Benefits	0	0	0	281,383	266,931	14,452
Purchased Services	0	0	0	510,229	491,309	18,920
Materials and Supplies	100	0	100	197,178	185,436	11,742
Capital Outlay	0	0	0	14,042	13,553	489
Other	491	250	241	3,678	2,509	1,169
<i>Total Expenses</i>	<u>591</u>	<u>250</u>	<u>341</u>	<u>1,675,391</u>	<u>1,606,941</u>	<u>68,450</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(91)	647	738	(184,277)	(174,930)	9,347
Operating Transfers In	0	0	0	65,000	141,000	76,000
Advances Out	0	0	0	(1,000)	(1,000)	0
Advances In	0	0	0	50,000	27,000	(23,000)
<i>Excess of Revenues and Operating Transfers In and Advances In Over (Under) Expenses and Advances Out</i>	(91)	647	738	(70,277)	(7,930)	62,347
<i>Fund Equity Beginning of Year</i>	12,286	12,286	0	96,110	96,110	0
Prior Year Encumbrances Appropriated	0	0	0	8,063	8,063	0
<i>Fund Equity End of Year</i>	<u>\$12,195</u>	<u>\$12,933</u>	<u>\$738</u>	<u>\$33,896</u>	<u>\$96,243</u>	<u>\$62,347</u>

See accompanying notes to the general purpose financial statements

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS
JUNE 30, 2000**

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Non-Expendable Trust</u>	
<i>Increase (Decrease) in Cash and Cash Equivalents</i>				
Cash Flows from Operating Activities				
Cash Received from Customers	\$699,090	\$0	\$0	\$699,090
Cash Received from Quasi-External Operating Transactions with Other Funds	0	476,350	0	476,350
Cash Received from Other Operating Sources	9,427	14,325	200	23,952
Cash Payments for Goods and Services	(261,314)	(410,056)	0	(671,370)
Cash Payments to Employees for Services and Benefits	(798,296)	0	0	(798,296)
Cash Payments for Claims	0	(115,838)	0	(115,838)
Cash Payments for Other Operating Expenses	(2,141)	0	(250)	(2,391)
<i>Net Cash Used for Operating Activities</i>	<u>(353,234)</u>	<u>(35,219)</u>	<u>(50)</u>	<u>(388,503)</u>
Cash Flows from Noncapital Financing Activities				
Operating Grants Received	230,367	0	0	230,367
Short Term Loans	25,000	2,000	0	27,000
Short Term Loans	0	(1,000)	0	(1,000)
Operating Transfers In	141,000	0	0	141,000
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>396,367</u>	<u>1,000</u>	<u>0</u>	<u>397,367</u>
Cash Flows from Capital and Related Financing Activities				
Payments for Capital Acquisitions	(10,577)	0	0	(10,577)
<i>Net Cash for Capital and Related Financing Activities</i>	<u>(10,577)</u>	<u>0</u>	<u>0</u>	<u>(10,577)</u>
Cash Flows from Investing Activities				
Interest on Investments	173	1,382	697	2,252
<i>Net Cash Provided by Investing Activities</i>	<u>173</u>	<u>1,382</u>	<u>697</u>	<u>2,252</u>
Net Increase (Decrease) in Cash and Cash Equivalents	32,729	(32,837)	647	539
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>58,731</u>	<u>33,156</u>	<u>12,286</u>	<u>104,173</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$91,460</u></u>	<u><u>\$319</u></u>	<u><u>\$12,933</u></u>	<u><u>\$104,712</u></u>

(Continued)

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS
JUNE 30, 2000
(Continued)**

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Non-Expendable Trust</u>	
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities				
<i>Operating Income (Loss)</i>	(\$324,427)	(\$67,567)	\$647	(\$391,347)
<i>Adjustments:</i>				
Depreciation Expense	6,446	0	0	6,446
Non-Operating Revenue	100	10,000	0	10,100
Donated Commodities	9,372	0	0	9,372
Interest Received by Non-Expendable Trust Fund	0	0	(697)	(697)
<i>(Increase) Decrease in Assets:</i>				
Accounts Receivable	(18,604)	248	0	(18,356)
Materials and Supplies Inventory	2,498	0	0	2,498
Inventory Held for Resale	72	0	0	72
<i>Increase (Decrease) in Liabilities:</i>				
Accounts Payable	4,253	0	0	4,253
Accrued Wages Payable	(13,484)	0	0	(13,484)
Compensated Absences Payable	(18,960)	0	0	(18,960)
Intergovernmental Payable	(500)	0	0	(500)
Claims Payable	0	22,100	0	22,100
Total Adjustments	(28,807)	32,348	(697)	2,844
<i>Net Cash Used for Operating Activities</i>	<u>(\$353,234)</u>	<u>(\$35,219)</u>	<u>(\$50)</u>	<u>(\$388,503)</u>
Reconciliation of Cash and Cash Equivalents to the Balance Sheet				
Trust and Agency	\$40,749			
Less: Agency Funds and Expendable Trust	<u>(27,816)</u>			
Non-Expendable Trust Fund	<u>\$12,933</u>			

See accompanying notes to the general purpose financial statements

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**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The first official body designated as the Knox County Career Center Board of Education was formed in 1966. Knox County Career Center ("School District") is a joint vocational school district as defined by Section 3311.18 of the Ohio Revised Code and is a body politic and corporate established for the purpose of exercising the right and privileges conveyed to it by the constitution and laws of the State of Ohio. A vocational school exposes students to job training leading to employment upon graduation from high school. The School District includes six member school districts spread throughout Coshocton, Delaware, Holmes, Knox, Licking, Morrow and Richland counties.

The School District is a jointly governed organization operating under a seven member board: three members are appointed by the Knox County Education Service Center Board, three by the City of Mount Vernon School Board, and one by the Richland County Education Service Center Board. The School District provides educational services as authorized and mandated by State or federal agencies.

Reporting Entity

A reporting entity is comprised of the stand-alone government, component units and other organizations that are included to ensure the financial statements are not misleading. The stand-alone government of the School District consists of all funds, departments, boards and agencies that are not legally separate from the School District. For Knox County Career Center, this includes general operations, food service, preschool and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance 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. The School District does not have any component units.

The School District is associated with the Tri-Rivers Educational Computer Association, a jointly governed organization. See Note 16.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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.

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

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 regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

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

Governmental Fund Types

Governmental funds are those through which most governmental functions of the School District are financed. The acquisition, use, and balances of the School District's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) 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 major capital projects) that are legally restricted to expenditure for specified purposes.

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).

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. Following are the School District's proprietary fund types:

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis Of Presentation - Fund Accounting (Continued)

Proprietary Fund Types (Continued)

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 Type

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. There are two types of fiduciary funds, trust and agency. The School District has non-expendable trust, expendable trust, and agency funds. Non-expendable trust funds are accounted for in essentially the same manner as proprietary funds. The expendable trust fund is accounted for in essentially the same manner as governmental funds. The School District's agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

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

General Fixed Assets Account Group

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

General Long-Term Obligations Account Group

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

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Measurement Focus and Basis of Accounting (Continued)

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

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

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

The modified accrual basis of accounting is followed for the governmental, expendable trust funds 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: interest, tuition, grants and student fees.

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, 2000, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2001 operations, have been recorded as deferred revenue.

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

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types. 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 in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

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 appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

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

Tax Budget

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

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

Estimated Resources

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

Appropriations

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certification saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education. 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. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgetary Process (Continued)

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

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

Encumbrances

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

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 Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the balance sheet. During fiscal year 2000, investments were limited to STAR Ohio and federal agency securities. Investments are reported at fair value which is based on quoted market prices.

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

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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Cash Equivalents (Continued)

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2000 amounted to \$273,373 which includes \$8,350 assigned from other School District funds.

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. Interfund Assets/Liabilities

Short-term interfund loans are classified as "interfund receivables" and "interfund payables." On the budgetary basis of accounting, advances in do not equal advances out as there were advances out from an agency fund.

F. Prepaid Items

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

G. Inventory

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

H. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by statute to be set aside by the School District for the creation of a reserve for budget stabilization. See Note 18 for additional information regarding set-asides.

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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and 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 retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not possess any infrastructure.

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

Assets in the general fixed assets account group are not depreciated. Enterprise fixed assets are depreciated on a straight-line basis over the following estimated useful lives:

Description	Enterprise
Furniture and Equipment:	10 years

J. Intergovernmental Revenues

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

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

Entitlements

General Fund

State Foundation Program
Ohio Educational Computer Network

Non-Reimbursable Grants

Special Revenue Funds

Title VIB
Title II
Adult Basic Education
Local Professional Development
Preschool

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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Intergovernmental Revenues (Continued)

Non-Reimbursable Grants (Continued)

Special Revenue Funds (Continued)

- Educational Management Information System
- School to Work Grant
- Vocational Education
- Schoolnet
- Network Connectivity

Proprietary Funds

- Adult Education

Agency Funds

- Federal Pell Grants
- Student Loans

Reimbursable Grants

Proprietary Funds

- National School Lunch Program
- National School Milk Program
- Government Donated Commodities
- Personal Enrichment Through Education

Grants and entitlements amounted to forty-five percent of the School District's governmental fund operating revenue during the 2000 fiscal year.

K. Compensated Absences

The School District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for 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 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 employees who are 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 employees after fourteen years of current service with the School District.

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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences (Continued)

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.

L. Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Payments for these obligations made more than sixty days after year-end are generally considered not to have been paid with current available financial resources. The energy conservation bonds are reported as a liability of the general long-term obligations account group until due.

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

M. 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 non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

N. Fund Balance Reserves

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. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, inventory, property taxes, endowments and budget stabilization.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures. The reserve for endowments signifies legal restrictions on the use of principal in the nonexpendable trust funds.

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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Contributed Capital

Contributed capital represents resources from other funds, other governments and private sources provided to proprietary funds that is not subject to repayment. The School District does not have any contributed capital.

P. Estimates

The preparation of the 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.

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. FUND DEFICITS

The following funds had deficit retained earnings at June 30, 2000:

Deficit Fund Balance	
Enterprise Funds:	
Food Service	\$17,939
Adult Education	18,569
Internal Service Fund:	
Self Insurance	90,681

Management is currently analyzing the enterprise and the internal service funds' deficit retained earnings to determine appropriate steps to alleviate the deficits.

4. BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law 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 Equity - Budget (Non-GAAP Basis) and Actual, All Proprietary Fund Types and Non-Expendable Trust Fund 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:

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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

4. BUDGETARY BASIS OF ACCOUNTING (Continued)

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund type (GAAP basis).

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

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

	General	Special Capital Revenue	Projects	Expendable Trust
GAAP Basis	\$856,140	\$(39,371)	\$(9,868)	\$(531)
Net Adjustments for Revenue Accruals	(54,332)	16,470	0	0
Advances In	109,467	49,115	0	0
Net Adjustments for Expenditure Accruals	(112,897)	(21,639)	0	0
Advances Out	(76,715)	(84,867)	0	0
Change in Fair Value	6,772	0	0	0
Unrecorded Cash	(25,245)	0	0	0
Adjustments for Encumbrances	(157,139)	(26,093)	0	0
Budget Basis	\$546,051	\$(106,985)	\$(9,868)	\$(531)

**Net Income (Loss)/Excess of Revenues Over (Under) Expenses
Proprietary Fund Types and Non-Expendable Trust Fund**

	Enterprise	Internal Service	Non- Expendable Trust
GAAP Basis	\$53,846	\$(66,185)	\$647
Net Adjustment for Revenue Accruals	(25,237)	10,247	0
Net Adjustment for Expense Accruals	(16,749)	22,101	0
Advances In	25,000	2,000	0
Advances Out	0	(1,000)	0
Capital Outlay	(10,577)	0	0
Depreciation Expense	6,446	0	0
Adjustment for Encumbrances	(8,469)	0	0
Budget Basis	\$24,260	\$(32,837)	\$647

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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

5. BUDGETARY BASIS OF ACCOUNTING

State statute 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 monies are public deposits that the Board of Education has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts. Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts.

Protection of 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 repayment of all public monies deposited with the institution.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);

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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

5. BUDGETARY BASIS OF ACCOUNTING (Continued)

7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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.

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

Deposits: At year-end, the carrying amount of the School District's deposits was (\$133,848) and the bank balance was \$525,125. \$102,991 of the bank balance was covered by federal depository insurance. \$422,134 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department in the School Districts name and 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.

Cash on Hand: At year end, the School District had \$550 in undeposited cash on hand which is included on the balance sheet of the School District as part of Cash and Cash Equivalents.

Investments: The School District's investments are required to be categorized below to give an indication of the level of risk assumed by the School District at fiscal year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form. The School District's investment in STAR Ohio at June 30, 2000, had a fair market value of \$4,713,670.

	Category	Carrying	Fair
	<u>2</u>	<u>Amount</u>	<u>Value</u>
Federal Agency Securities	\$792,894	\$792,894	\$792,894

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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

5. BUDGETARY BASIS OF ACCOUNTING (Continued)

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 Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting."

A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$5,373,266	\$0
Investments which are part of a cash management pool:		
Federal Agency Securities	(792,894)	792,894
Investment in State Treasurer's Investment Pool	(4,713,670)	4,713,670
Cash on Hand	(550)	0
GASB Statement No. 3	\$(133,848)	\$5,506,564

6. PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 2000 for real and public utility property taxes represents collections of calendar 1999 taxes. Property tax payments received during calendar 2000 for tangible personal property (other than public utility property) is for calendar 2000 taxes.

2000 real property taxes are levied after April 1, 2000, on the assessed value as of January 1, 2000, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2000 public utility property taxes became a lien December 31, 1999, are levied after April 1, 2000 and are collected in 2001 with real property taxes.

2000 tangible personal property taxes are levied after April 1, 1999, on the value as of December 31, 1999. Collections are made in 2000. Tangible personal property assessments are twenty-five percent of true value.

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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

6. PROPERTY TAXES (Continued)

The assessed values upon which the fiscal year 2000 taxes were collected are:

	1999 Second - Half Collections		2000 First - Half Collections		
	Amount	Percent	Amount	Percent	
Agricultural/ Residential					
Real Estate	\$527,543,900	67.16 %	\$663,536,230	71.46	%
Commercial and Industrial	88,963,100	11.33	93,236,580	10.04	
Public Utility Personal	61,928,320	7.89	60,720,420	6.54	
Tangible Personal Property	106,946,452	13.62	111,056,170	11.96	
Total Assessed Values	\$785,381,772	100.00 %	\$928,549,400	100.00	%
Tax rate per \$1,000 of assessed valuation		\$6.40		\$6.40	

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

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

The School District receives property taxes from Coshocton, Delaware, Holmes, Knox, Licking, Morrow and Richland Counties. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2000, are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available to the School District as an advance at June 30, 2000, was \$1,052,250 in the general fund.

7. RECEIVABLES

Receivables at June 30, 2000, consisted of taxes, accounts (customer services, insurance premiums and student fees), accrued interest and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

7. RECEIVABLES (Continued)

	Amounts
Intergovernmental Receivables	
<i>Special Revenue Funds</i>	
Personal Enrichment through Education Grant	\$ 1,286
Vocational Education Planning District Grant	22,337
Career Development Grant	<u>5,830</u>
Total Special Revenue Funds	<u>\$29,453</u>

8. FIXED ASSETS

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

Furniture and Equipment	\$ 137,181
Less accumulated depreciation	88,098
Net Fixed Assets	<u>\$49,083</u>

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

	Balance 7/1/99	Additions	Deletions	Balance 6/30/00
Land and Improvements	\$ 21,280	\$ 0	\$ 0	\$ 21,280
Buildings and Improvements	4,101,286	4,238	0	4,105,524
Furniture and Equipment	1,203,484	119,296	30,848	1,291,932
Vehicles	53,214	15,040	5,199	63,055
Textbooks	<u>170,755</u>	<u>0</u>	<u>0</u>	<u>170,755</u>
Total	\$5,550,019	\$138,574	\$36,047	\$5,652,546

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

9. RISK MANAGEMENT

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2000, the School District contracted with Nationwide for property and liability insurance coverage as follows:

Type of Coverage	Deductible	Coverage
Building and Contents - replacement cost	\$1,000	\$14,300,000
Boiler and Machinery	1,000	14,248,000
Automobile Liability	0	1,000,000
General Liability:		
Per Occurrence	0	2,000,000
General Aggregate	0	5,000,000

Settlements have not exceeded coverage in any of the last three fiscal years. There has not been a significant reduction in coverage from the prior year.

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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

9. RISK MANAGEMENT (Continued)

B. Employee Medical Benefits

Medical, surgical, dental and vision insurance is offered to all employees through a self insurance internal service fund. The School District is self insured with Medical Benefits serving as the third party administrator. The claims liability of \$46,900 reported in the internal service fund at June 30, 2000 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability for the fiscal years 1999 and 2000 are as follows:

	Balance at Beginning of <u>Fiscal Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance at End of Fiscal Year</u>
1999	\$0	\$152,021	\$92,021	\$60,000
2000	60,000	137,939	115,839	82,100

10. DEFINED BENEFIT PENSION PLANS

A. 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. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2000, 5.5 percent of annual covered salary was the portion to fund pension obligations. For fiscal year 1999, 7.7 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$45,642, \$56,610, and \$98,807, respectively; 100 percent has been contributed for the fiscal years 2000, 1999 and 1998.

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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

10. DEFINED BENEFIT PENSION PLANS (Continued)

B. 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. STRS provides basic retirement and disability benefits, annual cost-of-living adjustments, death and survivor 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 for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

For the fiscal year ended June 30, 2000, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 6.0 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 contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$186,424, \$184,727, and \$420,947, respectively; 100 percent has been contributed for the fiscal years 2000, 1999, and 1998.

C. Social Security System

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

11. 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 non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS 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 the fiscal year ended June 30, 2000, the STRS 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 \$288,109 during fiscal year 2000.

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

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

11. POSTEMPLOYMENT BENEFITS (Continued)

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2000, employer contributions to fund health care benefits were 8.5 percent of covered payroll, an increase of 2.2 percent for fiscal year 2000. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay has been established at \$12,400. For the School District, the amount to fund health care benefits, including the surcharge, equaled \$78,334 during the 2000 fiscal year

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 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 1999, (the latest information available) were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$188.0 million. SERS has approximately 51,000 participants currently receiving health care benefits..

12. OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation, personal and sick leave benefits are 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 upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated to a maximum of 258 days. Upon retirement, payment is made for one-third of total sick leave accumulated; to a maximum of 86 days. An employee receiving such payment must meet the retirement provisions set by STRS or SERS.

B. Insurance

The School District provides life insurance and accidental death and dismemberment insurance to contracted employees through Medical Life Insurance Company. The Board pays the cost of the monthly premium, \$39.50 per employee.

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

13. LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2000 were as follows:

	<u>Outstanding 6/30/99</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding 6/30/00</u>
Energy Conservation Bonds Issued June 15, 1995	5.05% \$370,000	\$0	\$55,000	\$315,000
Energy Conservation Bonds Issued January 15, 1999	4.87% 316,468	0	14,810	301,658
Compensated Absences	239,096	0	3,716	235,380
Intergovernmental Payable	<u>14,419</u>	<u>11,263</u>	<u>14,419</u>	<u>11,263</u>
Total General Long-Term Obligations	\$939,983	\$11,263	\$87,945	\$863,301

The bonds will be paid from the general fund. Compensated absences will be paid from the fund from which the person is paid. The intergovernmental payable represents contractually required pension contributions paid outside the available period and will be paid from the fund from which the person is paid.

The School District's overall legal debt margin was \$83,569,446 unvoted debt margin of \$928,549 at June 30, 2000. Principal and interest requirements to retire the energy conservation bonds outstanding at June 30, 2000, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 70,531	\$ 30,598	\$101,129
2002	76,288	27,064	103,352
2003	82,081	23,241	105,322
2004	82,913	19,146	102,059
2005	88,784	14,972	103,756
2006-2010	108,571	42,538	151,109
2011-2014	107,490	13,398	120,888
Total	\$616,658	\$170,957	\$787,615

14. 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 amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$2,374,363 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County 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.

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

14. STATE SCHOOL FUNDING DECISION (Continued)

The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly..." including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

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

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

15. CONTINGENCIES

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditures of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2000.

B. Litigation

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

16. JOINTLY GOVERNED ORGANIZATION

Tri-Rivers Educational Computer Association (TRECA) is a jointly governed organization among 31 public school districts within the boundaries of Delaware, Marion, Morrow, Knox and Wyandot Counties. TRECA 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. TRECA operates under the direction of a Board consisting of two representatives from each county, elected by a majority vote of all charter member school districts within each county. The continued existence of TRECA is not dependent on the School District's continued participation and no equity interest exists. TRECA has no outstanding debt. To obtain financial information write to , Tri-Rivers Educational Computer Association, Mike Carder, who serves as Director, 2222 Marion-Mount Gilead Road, Marion, Ohio 43302. The School District contributed \$19,594 to TRECA during fiscal year 2000.

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

17. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

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

	Food Service	Adult Education	Uniform School Supplies	Other Enterprise Funds	Total Enterprise Funds
Operating Revenues	\$113,942	\$498,183	\$28,670	\$86,226	\$727,021
Depreciation	430	6,016	0	0	6,446
Operating Income (Loss)	(35,153)	(311,141)	(5,376)	27,243	(324,427)
Donated Commodities	9,884	0	0	0	9,884
Interest	173	0	0	0	173
Operating Grants	28,426	198,690	0	0	227,116
Operating Transfers In	0	140,000	1,000	0	141,000
Net Income (Loss)	3,330	27,549	(4,376)	27,343	53,846
Fixed Assets Additions	0	13,553	0	0	13,553
Net Working Capital	(6,480)	(7,876)	6,043	59,672	51,359
Total Assets	13,997	88,733	6,043	65,441	174,214
Long-Term Compensated Absences Payable	13,671	57,564	0	0	71,235
Total Equity	(17,939)	(18,569)	6,043	59,672	29,207
Encumbrances at June 30, 2000	0	8,185	0	284	8,469

18. SET-ASIDES

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

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

	Budget Stabilization Reserve	Textbook / Instructional Materials	Capital Improvements
Set-aside Reserve Balance as of June 30, 1999	\$89,780	\$0	\$0
Current Year Set-aside Requirement	55,682	155,981	155,981
Qualifying Disbursements	<u>0</u>	<u>(155,981)</u>	<u>(155,981)</u>
Set-aside Balance Carried Forward to Fiscal Years	\$145,462	\$0	\$0
Set-aside Reserve Balance as of June 30, 2000	\$145,462	\$0	\$0

The total reserve balance for the three set-asides at the end of the fiscal year was \$145,462.

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

19. INTERFUND ACTIVITY

As of June 30, 2000, receivables and payables that resulted from various interfund transactions were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$76,232	\$0
Special Revenue Funds		
PETE Grant	0	1,000
Career Development Grant	0	5,830
VEPD Grant	<u>0</u>	<u>25,000</u>
Total Special Revenue Funds	<u>0</u>	<u>31,830</u>
Enterprise Fund		
Adult Education	0	20,000
Food Service	<u>0</u>	<u>10,000</u>
Total Enterprise Fund	<u>0</u>	<u>30,000</u>
Internal Service Fund		
Self-Insurance	<u>0</u>	<u>1,000</u>
Total Internal Service Fund	<u>0</u>	<u>1,000</u>
Agency Fund		
Student Activities	<u>0</u>	<u>13,402</u>
Total Agency Funds	<u>0</u>	<u>13,402</u>
Total All Funds	<u>\$76,232</u>	<u>\$76,232</u>

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
JUNE 30, 2000**

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						
<i>Passed through the Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Food Distribution	10.550	N/A	\$ —	\$9,372	\$ —	\$9,884
		051144 03-PU 00				
National School Lunch Program	10.555	051144 04-PU 00	40,090	—	40,090	—
Total U.S. Department of Agriculture - Child Nutrition Cluster			40,090	9,372	40,090	9,884
U.S. DEPARTMENT OF LABOR						
<i>Passed through the Ohio Department of Education:</i>						
Employment Services and Job Training	17.249	051144 WK-BE 00	34,500	—	0	—
U.S. DEPARTMENT OF EDUCATION						
Student Financial Assistance Cluster:						
Federal Pell Grant Program	84.063	N/A	\$127,079	\$—	\$128,579	\$—
Federal Direct Student Loan	84.268	N/A	250,908	—	250,908	—
Total Student Financial Assistance Cluster			377,987	—	379,487	—
<i>Passed through the Ohio Department of Education:</i>						
Adult Education State Grant Program	84.002	051144 AB-S1 99	33,297	—	33,297	—
Vocational Education Basic Grants to States	84.048	051144 20-A4 00 051144 20-C1 00 051144 20-C2 00	153,893	—	148,914	—
Eisenhower Professional Development State Grant	84.281	051144 MS-S1 99	1,418	—	1,418	—
Innovative Education Program Strategies	84.298	051144 C2-S1 99	3,278	—	3,278	—
Total U.S. Department of Education			569,873	—	566,394	—
Total Federal Awards			\$644,463	\$9,372	\$606,484	\$9,884

The accompanying notes to this schedule are an integral part of this schedule

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
JUNE 30, 2000**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) summarizes the activity of the Center's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. At June 30, 2000, the Career Center had no significant food commodities in inventory.



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

Knox County Career Center
Knox County
306 Martinsburg Road
Mt. Vernon, Ohio 43050

To the Board of Education:

We have audited the general purpose financial statements of Knox County Career Center, Knox County, Ohio, (the Center) as of and for the year ended June 30, 2000, and have issued our report thereon dated December 15, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Center's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to the management of the Center in a separate letter dated December 15, 2000.

Knox County Career Center
Knox County
Report of Independent Accountants on Compliance
and on Internal Control Required by *Government
Auditing Standards*
Page 2

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

JIM PETRO
Auditor of State

December 15, 2000



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

Knox County Career Center
Knox County
306 Martinsburg Road
Mt. Vernon, Ohio 43050

To the Board of Education:

Compliance

We have audited the compliance of the Knox County Career Center, Knox County, Ohio, (the Center) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2000. The Career Center'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 each of its major federal programs is the responsibility of the Career Center's management. Our responsibility is to express an opinion on the Center'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 Center'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 Center's compliance with those requirements.

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

Internal Control Over Compliance

The management of the Center 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 Center'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.

Internal Control Over Compliance
(Continued)

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 audit committee, the Board of Education, management, 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 15, 2000

**KNOX COUNTY CAREER CENTER
KNOX COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2000**

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)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Student Financial Assistance Cluster CFDA # 84.063 - Federal Pell Grant CFDA # 84.268 - Federal Direct Student Loan
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



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KNOX COUNTY CAREER CENTER

KNOX 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
JANUARY 16, 2001**