

Audit Report

July 1, 1998 through June 30, 1999

RAVENNA CITY SCHOOL DISTRICT PORTAGE COUNTY



***Certified Public Accountants
& Business Consultants***

**Ravenna City School District - Portage County
Audit Report - July 1, 1998 through June 30, 1999**

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**Ravenna City School District - Portage County
Elected Officials
as of June 30, 1999**

Elected Officials	Title	Term of Office	Surety	Amount	Period
<u>Board of Education</u>					
Connie Mansfield	President	1/2/98 – 12/31/01	(A)	\$30,000	1/1/97 – 1/1/00
Kenneth Lewis	Vice-President	1/2/98 – 12/31/01	(A)	\$30,000	1/1/97 – 1/1/00
Lisa Karaffa	Member	1/2/98 – 12/31/01	(A)	\$30,000	1/1/97 – 1/1/00
Joanne Newhauser	Member	1/2/98 – 12/31/99	(A)	\$30,000	1/1/97 – 1/1/00
Roger Boltz	Member	1/2/96 – 12/31/99	(A)	\$30,000	1/1/97 – 1/1/00

Statutory Legal Counsel

Portage County Prosecutor
247 South Chestnut Street
Ravenna, Ohio 44266

(A) Nationwide Mutual Insurance Company

**Ravenna City School District - Portage County
Administrative Personnel
as of June 30, 1999**

Title	Term of Office or Contract Period	Surety	Amount	Period
<u>Treasurer</u>				
Joseph Funai	Organizational Meeting 1998 to Organizational Meeting January 2002*	(A)	\$100,000	(B)
<u>Superintendent</u>				
Philip Warner	8/1/96 – 7/31/99	(A)	\$30,000	1/1/97 - 1/1/00
<u>Director of Business Affairs</u>				
William Wisniewski	7/1/98 - 6/30/01	(A)	\$30,000	1/1/97 - 1/1/00

(A) Nationwide Mutual Insurance Company

(B) Covers term of office

* Subsequent to June 30, 1999, Mr. Funai resigned.

Ravenna City School District - Portage County
Index of Funds
as of June 30, 1999

GOVERNMENTAL FUND TYPES:

General Fund

Special Revenue Fund Types:

Quest Program Fund
Public School Support Fund
Loral Grant Funds
District Managed Student Activity Fund
Auxiliary Services Fund
Community Educational Grant Fund
Block Grant Fund
Early Childhood Education Fund
Educational Management Information System Fund
Public Preschool Fund
Disadvantaged Pupils Impact Aid Fund
Textbook Fund
Ohio Application Center Grant Fund
Job Training Partnership Act Fund
Math and Science Fund
Title VI-B Flow-through fund
Vocational Education Fund
Title I Educationally Deprived Children
Title VI - Block Grant Allocations Fund
Grants Fund

Debt Service Fund

Capital Projects Fund Types:

Permanent Improvement Fund
School Net Plus Fund

PROPRIETARY FUND TYPES.

Enterprise Fund Types:

Food Service Fund
Uniform School Supplies Fund
Special Enterprise Fund

FIDUCIARY FUND TYPES:

Trust and Agency Fund Types:

Expendable Trust:

Special Trust Fund
Endowment Fund

Agency:

Student Managed Activity Fund



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Board of Education
Ravenna City School District
Ravenna, Ohio 44266

We have reviewed the Independent Auditor's Report of the Ravenna City School District, Portage County, prepared by Moore Stephens Apple, for the audit period July 1, 1998 through June 30, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink, appearing to read "Jim Petro", written over a horizontal line.

JIM PETRO
Auditor of State

January 7, 2000

MOORE STEPHENS APPLE

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Report of Independent Auditors'

Board of Education
Ravenna City School District
Ravenna, Ohio 44266

We have audited the accompanying general purpose financial statements of the Ravenna City School District as of and for the year ended June 30, 1999. These general purpose financial statements are the responsibility of the Ravenna City School District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Ravenna City School District as of June 30, 1999 and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 10, 1999 on our consideration of the Ravenna City School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of Ravenna City School District, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the 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.

We did not audit the supplemental information dealing with Year 2000 as listed in the table of contents and therefore express no opinion thereon.

Moore Stephens Apple

Akron, Ohio
December 10, 1999



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General Purpose Financial Statements

Ravenna City School District
 Combined Balance Sheet - All Fund Types and Account Groups
 June 30, 1999

	Governmental Fund Types		Proprietary Fund Types		Fiduciary Fund Types			Account Groups			Totals (Memorandum Only)	
	General	Special	Capital	Enterprise	Expendable	Trust and	Agency	General	Fixed	Long-Term		Obligations
ASSETS AND OTHER DEBITS:												
Assets:												
Equity in Pooled Cash and												
Cash Equivalents	\$3,084,620	\$357,503	\$988,316	\$428,372	\$940,605			\$0	\$0			\$5,799,416
Receivables												
Taxes	9,654,324	0	367,414	0	0	0	0	0	0	0	0	10,021,738
Accounts	3,533	1,322	0	1,199	263	0	0	0	0	0	0	6,317
Intergovernmental	146,533	0	0	58,745	0	0	0	0	0	0	0	205,278
Interfund	8,140	0	0	0	0	0	0	0	0	0	0	8,140
Inventory Held For Resale	0	0	0	5,160	0	0	0	0	0	0	0	5,160
Materials and Supplies												
Inventory	0	0	0	2,945	0	0	0	0	0	0	0	2,945
Notes Receivable	0	0	0	0	82,790	0	0	0	0	0	0	82,790
Restricted Assets:												
Equity in Pooled Cash and												
Cash Equivalents	180,940	0	0	0	0	0	0	0	0	0	0	180,940
Fixed Assets (Net where applicable, of Accumulated Depreciation)	0	0	0	101,442	0	18,519,912	0	18,519,912	0	0	0	18,621,354
Other Debits:												
Amount to be Provided from												
General Government Resources	0	0	0	0	0	0	0	0	8,312,244	0	0	8,312,244
Total Assets and Other Debits	\$13,078,090	\$358,825	\$1,355,730	\$597,863	\$1,023,658	\$18,519,912	\$8,312,244	\$18,519,912	\$8,312,244	\$0	\$0	\$43,246,322

(Continued)

The accompanying notes are an integral part of these statements.

Ravenna City School District
 Combined Balance Sheet - All Fund Types and Account Groups
 June 30, 1999

	Governmental Fund Types		Proprietary Fund Types		Fiduciary Fund Types		Account Groups		Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Enterprise	Expendable Trust and Agency	General Fixed Assets	General Long-Term Obligations		
LIABILITIES, FUND EQUITY AND OTHER CREDITS:									
Liabilities:									
Accounts Payable	\$71,820	\$3,293	\$7,532	\$2,400	\$227	\$0	\$0	\$0	\$85,272
Accrued Wages and Benefits	2,067,737	166,517	0	28,499	0	0	0	0	2,262,753
Compensated Absences Payable	202,005	0	0	46,771	0	0	1,940,134	0	2,188,910
Intergovernmental Payable	366,291	27,581	0	44,322	0	0	138,285	0	576,479
Interfund Payable	0	4,421	0	0	3,719	0	0	0	8,140
Due to Others	0	0	0	0	53,950	0	0	0	53,950
Deferred Revenue	8,730,352	0	342,072	436	0	0	0	0	9,072,860
Capital Lease Payable	0	0	0	0	0	0	5,596,766	0	5,596,766
Energy Conservation Loan Payable	0	0	0	0	0	0	637,059	0	637,059
Total Liabilities	11,438,205	2,011,812	349,604	122,428	57,896	0	8,312,244	0	20,482,189
Fund Equity and Other Credits:									
Investment in General Fixed Assets	0	0	0	0	0	18,519,912	0	0	18,519,912
Retained Earnings - Unreserved	0	0	0	475,435	0	0	0	0	475,435
Fund Balances									
Reserved for Property Taxes	923,972	0	25,342	0	0	0	0	0	949,314
Reserved For Notes Receivable	0	0	0	0	82,790	0	0	0	82,790
Reserved for Encumbrances	347,443	18,527	29,531	0	4,660	0	0	0	400,161
Reserved for Budget Stabilization	180,940	0	0	0	0	0	0	0	180,940
Unreserved - Undesignated	187,530	138,486	951,253	0	878,312	0	0	0	2,155,581
Total Fund Equity and Other Credits	1,639,885	157,013	1,006,126	475,435	965,762	18,519,912	0	0	22,764,133
Total Liabilities, Fund Equity and Other Credits	\$13,078,090	\$3,588,825	\$1,355,730	\$597,863	\$1,023,658	\$18,519,912	\$8,312,244	\$0	\$43,246,322

The accompanying notes are an integral part of these statements.

Ravenna City School District
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 All Governmental Fund Types and Similar Trust Fund
 For the Fiscal Year Ended June 30, 1999

	Governmental Fund Types				Fiduciary	Totals (Memorandum Only)
				Fund Type		
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
REVENUE:						
Taxes	\$9,764,761	\$0	\$0	\$369,310	\$0	\$10,134,071
Tuition and Fees	272,203	0	0	0	0	272,203
Intergovernmental	9,967,564	1,583,219	0	131,090	0	11,681,873
Interest	233,669	0	0	10,225	44,813	288,707
Extracurricular Activities	0	205,178	0	0	12,118	217,296
Charges for Services	44,002	0	0	0	0	44,002
Other	155,095	7,059	0	0	230,586	392,740
Total Revenues	<u>20,437,294</u>	<u>1,795,456</u>	<u>0</u>	<u>510,625</u>	<u>287,517</u>	<u>23,030,892</u>
EXPENDITURES:						
Current						
Instruction						
Regular	8,353,641	289,214	0	22,670	0	8,665,525
Special	1,996,311	681,454	0	0	0	2,677,765
Vocational	545,348	24,857	0	259	0	570,464
Other Instruction	307,198	0	0	0	0	307,198
Adult Continuing Education	123	15,455	0	0	0	15,578
Support Services						
Pupil	903,936	134,616	0	0	0	1,038,552
Instructional Staff	367,281	232,558	0	0	0	599,839
Board of Education	40,212	0	0	0	0	40,212
Administration	1,651,992	42,079	0	1,216	0	1,695,287
Fiscal	445,289	3,500	0	7,044	135,668	591,501
Business	140,725	0	0	0	0	140,725
Operation and Maintenance of Plant	2,194,806	0	0	296,605	184,284	2,675,695
Pupil Transportation	662,382	14,164	0	0	0	676,546
Central	674,413	24,273	0	88,113	0	786,799
Operation of Non-Instructional Services	812	103,587	0	0	34,676	139,075
Extracurricular Activities	271,138	204,562	0	0	0	475,700
Debt Service						
Principal and Interest	0	0	154,895	0	0	154,895
Capital Outlay	0	0	0	0	155,967	155,967
Total Expenditures	<u>18,555,607</u>	<u>1,770,319</u>	<u>154,895</u>	<u>415,907</u>	<u>510,595</u>	<u>21,407,323</u>
Revenues Over (Under) Expenditures	<u>1,881,687</u>	<u>25,137</u>	<u>(154,895)</u>	<u>94,718</u>	<u>(223,078)</u>	<u>1,623,569</u>

(Continued)

The accompanying notes are an integral part of these statements.

Ravenna City School District
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 All Governmental Fund Types and Similar Trust Fund
 For the Fiscal Year Ended June 30, 1999

	Governmental Fund Types				Fiduciary	Totals (Memorandum Only)
	General	Special	Debt	Capital	Expendable	
		Revenue	Service	Projects	Trust	
OTHER FINANCING SOURCES (USES):						
Proceeds from sale of assets	\$51,377	\$0	\$0	\$28,000	\$0	\$79,377
Refund of prior year receipts	0	(5,679)	0	(25)	(130)	(5,834)
Refund of prior year expenditure	2,341	0	0	0	50	2,391
Operating Transfers - In	759	86,253	154,895	775,000	0	1,016,907
Operating Transfers - Out	(940,653)	(88,119)	0	0	0	(1,028,772)
Total Other Financing Sources (uses)	<u>(886,176)</u>	<u>(7,545)</u>	<u>154,895</u>	<u>802,975</u>	<u>(80)</u>	<u>64,069</u>
Total Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	995,511	17,592	0	897,693	(223,158)	1,687,638
Fund Balances at Beginning of Year	<u>644,374</u>	<u>139,421</u>	<u>0</u>	<u>108,433</u>	<u>1,188,920</u>	<u>2,081,148</u>
Fund Balances at End of Year	<u>\$1,639,885</u>	<u>\$157,013</u>	<u>\$0</u>	<u>\$1,006,126</u>	<u>\$965,762</u>	<u>\$3,768,786</u>

The accompanying notes are an integral part of these statements.

Ravenna City School District
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget Basis and Actual
All Governmental Fund Types and Similar Trust Funds
For the Fiscal Year Ended June 30, 1999

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 9,400,742	\$ 9,400,742	\$ -
Tuition and Fees	266,891	266,891	-
Charges for Services	-	-	-
Intergovernmental	10,269,662	10,269,662	-
Interest	233,669	233,669	-
Extracurricular Activities	-	-	-
Other	63,153	63,153	-
Total Revenues	20,234,117	20,234,117	-
EXPENDITURES:			
Current			
Instruction			
Regular	7,959,802	7,959,802	-
Special	1,884,449	1,884,449	-
Vocational	524,095	524,095	-
Adult Education	-	-	-
Other	319,304	319,304	-
Support Services			
Pupil	864,125	864,125	-
Instructional Staff	356,374	356,374	-
Board of Education	42,145	42,145	-
Administration	1,679,660	1,679,660	-
Fiscal	443,761	443,761	-
Business	140,158	140,158	-
Operation and Maintenance of Plant	2,332,600	2,332,600	-
Pupil Transportation	657,260	657,260	-
Central	830,443	830,443	-
Food Service Operations	-	-	-
Community Services	777	777	-
Extracurricular Activities	268,611	268,611	-
Building Acquisition and Construction	-	-	-
Debt Service	-	-	-
Principal Retirement and Interest	-	-	-
Total Expenditures	18,303,564	18,303,564	-
Revenues Over (Under) Expenditures	1,930,553	1,930,553	-
OTHER FINANCING SOURCES (USES):			
Sale of Fixed Assets	51,377	51,377	-
Advances - In	4,532	4,532	-
Advances - Out	(9,891)	(9,891)	-
Transfers - In	-	-	-
Transfers - Out	(940,653)	(940,653)	-
Refund of Prior Year Expenditures	2,341	2,341	-
Refund of Prior Year Receipts	-	-	-
Total Other Financing Sources (Uses)	(892,294)	(892,294)	-
Total Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,038,259	1,038,259	-
Fund Balances at Beginning of Year	1,735,751	1,735,751	-
Prior Year Encumbrances	90,718	90,718	-
Fund Balance at End of Year	\$ 2,864,728	\$ 2,864,728	\$ -

The accompanying notes are an integral part of these statements.

Special Revenue Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
-	-	-
1,649,332	1,585,443	(63,889)
206,323	206,323	-
5,586	5,586	-
<u>1,861,241</u>	<u>1,797,352</u>	<u>(63,889)</u>

331,664	285,435	46,229
788,840	663,963	124,877
26,070	24,043	2,027
20,990	15,746	5,244
-	-	-
150,737	135,984	14,753
307,911	231,307	76,604
-	-	-
75,013	48,006	27,007
6,700	3,500	3,200
-	-	-
14,445	14,164	281
28,084	28,084	-
71	71	-
122,313	108,605	13,708
209,096	209,096	-
-	-	-
-	-	-
<u>2,081,934</u>	<u>1,768,004</u>	<u>313,930</u>
<u>(220,693)</u>	<u>29,348</u>	<u>250,041</u>

-	-	-
4,421	4,421	-
(7,329)	(4,532)	2,797
86,253	86,253	-
(88,119)	(88,119)	-
151	151	-
(6,835)	(6,835)	-
<u>(11,458)</u>	<u>(8,661)</u>	<u>2,797</u>

(232,151)	20,687	252,838
284,255	284,255	-
31,377	31,377	-
<u>\$ 83,481</u>	<u>\$ 336,319</u>	<u>\$ 252,838</u>

Debt Service Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
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<u>154,895</u>	<u>154,895</u>	<u>-</u>
<u>154,895</u>	<u>154,895</u>	<u>-</u>
<u>(154,895)</u>	<u>(154,895)</u>	<u>-</u>

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-	-	-
-	-	-
-	-	-
154,895	154,895	-
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-	-	-
-	-	-
<u>154,895</u>	<u>154,895</u>	<u>-</u>

-	-	-
-	-	-
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Ravenna City School District
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget Basis and Actual
All Governmental Fund Types and Similar Trust Funds - Continued
For the Fiscal Year Ended June 30, 1999

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 359,054	\$ 359,054	\$ -
Tuition and Fees	-	-	-
Charges for Services	-	-	-
Intergovernmental	131,090	131,090	-
Interest	10,225	10,225	-
Extracurricular Activities	-	-	-
Other	(25)	(25)	-
Total Revenues	<u>500,344</u>	<u>500,344</u>	<u>-</u>
EXPENDITURES:			
Current			
Instruction			
Regular	22,669	22,669	-
Special	-	-	-
Vocational	490	259	231
Adult Education	-	-	-
Other	-	-	-
Support Services			
Pupil	-	-	-
Instructional Staff	-	-	-
Board of Education	-	-	-
Administration	1,249	1,249	-
Fiscal	7,044	7,044	-
Business	-	-	-
Operation and Maintenance of Plant	334,845	334,845	-
Pupil Transportation	-	-	-
Central	124,734	88,406	36,328
Food Service Operations	-	-	-
Community Services	-	-	-
Extracurricular Activities	-	-	-
Building Acquisition and Construction	-	-	-
Debt Service	-	-	-
Principal Retirement and Interest	-	-	-
Total Expenditures	<u>491,031</u>	<u>454,472</u>	<u>36,559</u>
Revenues Over (Under) Expenditures	<u>9,313</u>	<u>45,872</u>	<u>36,559</u>
OTHER FINANCING SOURCES (USES):			
Sale of Fixed Assets	28,000	28,000	-
Advances - In	-	-	-
Advances - Out	-	-	-
Transfers - In	775,000	775,000	-
Transfers - Out	-	-	-
Refund of Prior Year Expenditures	-	-	-
Refund of Prior Year Receipts	(232)	(232)	-
Total Other Financing Sources (Uses)	<u>802,768</u>	<u>802,768</u>	<u>-</u>
Total Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>812,081</u>	<u>848,640</u>	<u>36,559</u>
Fund Balances at Beginning of Year	87,842	87,842	-
Prior Year Encumbrances	19,910	19,910	-
Fund Balance at End of Year	<u>\$ 919,833</u>	<u>\$ 956,392</u>	<u>\$ 36,559</u>

The accompanying notes are an integral part of these statements.

Expendable Trust Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 9,759,796	\$ 9,759,796	\$ -
-	-	-	266,891	266,891	-
-	-	-	-	-	-
69,037	69,037	-	12,050,084	11,986,195	(63,889)
12,118	12,118	-	312,931	312,931	-
230,887	230,887	-	218,441	218,441	-
312,042	312,042	-	299,601	299,601	-
			22,907,744	22,843,855	(63,889)
-	-	-	8,314,135	8,267,906	46,229
-	-	-	2,673,289	2,548,412	124,877
-	-	-	550,655	548,397	2,258
-	-	-	20,990	15,746	5,244
-	-	-	319,304	319,304	-
-	-	-	1,014,862	1,000,109	14,753
-	-	-	664,285	587,681	76,604
-	-	-	42,145	42,145	-
-	-	-	1,755,922	1,728,915	27,007
1,800	1,800	-	459,305	456,105	3,200
-	-	-	140,158	140,158	-
184,284	184,284	-	2,851,729	2,851,729	-
-	-	-	671,705	671,424	281
-	-	-	983,261	946,933	36,328
-	-	-	71	71	-
37,061	37,061	-	160,151	146,443	13,708
-	-	-	477,707	477,707	-
157,742	157,742	-	157,742	157,742	-
-	-	-	154,895	154,895	-
380,887	380,887	-	21,412,311	21,061,822	350,489
(68,845)	(68,845)	-	1,495,433	1,782,033	286,600
-	-	-	79,377	79,377	-
185	185	-	9,138	9,138	-
-	-	-	(17,220)	(14,423)	2,797
-	-	-	1,016,148	1,016,148	-
-	-	-	(1,028,772)	(1,028,772)	-
50	50	-	2,542	2,542	-
(130)	(130)	-	(7,197)	(7,197)	-
105	105	-	54,016	56,813	2,797
(68,740)	(68,740)	-	1,549,449	1,838,846	289,397
940,700	940,700	-	3,048,548	3,048,548	-
(11,280)	(11,280)	-	130,725	130,725	-
\$ 860,680	\$ 860,680	\$ -	\$ 4,728,722	\$ 5,018,119	\$ 289,397

Ravenna City School District
 Combined Statement of Revenues, Expenses, and Changes in
 Retained Earnings - All Proprietary Fund Types
 For the Fiscal Year Ended June 30, 1999

	<u>Enterprise</u>
OPERATING REVENUES:	
Sales	\$349,944
Tuition	<u>396,567</u>
Total Operating Revenues	<u>746,511</u>
OPERATING EXPENSES:	
Salaries and Wages	458,573
Fringe Benefits	138,119
Contract Services	42,459
Cost of Sales	459,340
Depreciation	<u>9,222</u>
Total Operating Expenses	<u>1,107,713</u>
Operating Loss	<u>(361,202)</u>
NON-OPERATING REVENUES:	
Donated Commodities	35,553
Operating Grants	354,843
Other Income	264
Interest	<u>7,976</u>
Total Non-Operating Revenues	<u>398,636</u>
Net Income Before Operating Transfers	37,434
Operating Transfers In	11,866
Operating Transfers Out	<u>0</u>
Net Income	49,300
Retained Earnings at Beginning of Year	<u>426,135</u>
Retained Earnings at End of Year	<u><u>\$475,435</u></u>

The accompanying notes are an integral part of these statements.

Ravenna City School District
Combined Statement of Revenues, Expenditures, and Changes
in Fund Equity - Budget Basis and Actual
Proprietary Fund Types
For the Fiscal Year Ended June 30, 1999

	Enterprise Funds		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Tuition and Fees	\$ 244,006	\$ 244,006	\$ -
Food Services	350,102	350,102	-
Operating Grants	296,362	296,362	-
Earnings on Investments	18,995	18,995	-
Miscellaneous	145,394	145,394	-
Total Revenues	<u>1,054,859</u>	<u>1,054,859</u>	<u>-</u>
EXPENSES:			
Salaries and Wages	442,580	442,580	
Fringe Benefits	134,227	134,227	
Contract Services	43,034	43,034	-
Supplies	444,886	444,886	-
Capital Outlay	25,926	25,926	-
Total Expenses	<u>1,090,653</u>	<u>1,090,653</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>(35,794)</u>	<u>(35,794)</u>	<u>-</u>
Operating Transfers In	11,866	11,866	-
Operating Transfers Out	-	-	-
	<u>11,866</u>	<u>11,866</u>	<u>-</u>
Net Excess of Revenues Over (Under) Expenses	<u>(23,928)</u>	<u>(23,928)</u>	<u>-</u>
Fund Balances at Beginning of Year	402,901	402,901	-
Prior Year Encumbrances	<u>34,981</u>	<u>34,981</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 413,954</u>	<u>\$ 413,954</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

Ravenna City School District
 Combined Statement of Cash Flows
 All Proprietary Fund Types
 For the Fiscal Year Ended June 30, 1999

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	Enterprise Funds
Cash Flows from operating activities:	
Operating loss	\$ (361,202)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities	
Depreciation	9,222
Donated commodities in cost of sales	29,455
Change in assets and liabilities that increase (decrease) cash flow from operations	
Accounts receivable	1,052
Intergovernmental receivable	(58,745)
Accounts payable	(6,442)
Accrued wages and benefits	15,016
Intergovernmental payable	3,893
Compensated Absences	977
Net cash used in operating activities	(366,774)
Cash flows from investing activities	
Additions to property plant and equipment	(17,685)
Net cash used in investing activities	(17,685)
Cash flows from noncapital financing activities:	
Operating grants received	354,843
Other non-operating revenue	20,106
Net cash provided by noncapital financing activities	374,949
Net decrease in cash and cash equivalents	(9,510)
Cash and cash equivalents - beginning of year	437,882
Cash and cash equivalents - end of year	\$ 428,372
Noncash capital, investing and related financing activities	
Donated commodities received	\$ 35,553

The accompanying notes are an integral part of these statements.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources.

1. DESCRIPTION OF THE ENTITY

The Ravenna City School District (the School District) is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by the State statute and/or federal guidelines.

Reporting Entity

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes. The School District does not have any component units.

The following activity is included within the reporting entity.

Parochial School - Within the School District boundaries, Immaculate Conception School is operated through the Cleveland Catholic Diocese. Current State legislation provides funding to this parochial school. These monies are received and disbursed on behalf of the parochial school by the Treasurer of the School District, as directed by the parochial school. The activity of these State monies by the School District is reflected in a special revenue fund for financial reporting purposes.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

1. DESCRIPTION OF THE ENTITY - Continued

The School District is associated with two organizations which are defined as jointly governed organizations, two public entity risk pools, and a related organization. These organizations are the Stark-Portage Area Computer Consortium, the Maplewood Area Joint Vocational School, Ohio School Boards Association Workers Compensation Group Rating Plan, the Stark County Council of Governments Health Benefits Program and Reed Memorial Public Library. These organizations are presented in Notes O, P and Q to the general purpose financial statements.

2. 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.

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 - This 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.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. BASIS OF PRESENTATION - FUND ACCOUNTING - Continued

Governmental Fund Types: - Continued

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

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

Capital Projects Funds - These 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 and trust 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. The following are the School District's proprietary fund types:

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that 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 the governing body has 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.

Fiduciary Fund Types:

Fiduciary Funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and other funds. These include nonexpendable trust and agency funds. Nonexpendable trust and 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:

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. BASIS OF PRESENTATION - FUND ACCOUNTING - Continued

Account Groups: - Continued

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

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 or trust funds.

3. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types 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 combined 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 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 combined balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

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

The modified accrual basis of accounting is followed for the governmental 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 year end. In applying the accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings, tuition, grants and entitlements.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the 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.

4. 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 is at the object level within each function. Any budgetary modification 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 Stark County Budget Commission for rate determination.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. BUDGETARY DATA - Continued

Estimated Resources:

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. 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 1999.

Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation resolution, the Board may pass a temporary resolution to meet the ordinary expenses of the School District. Appropriations by fund must be within the estimated resources as certified by the County Budget Commission, and the total of expenditures and encumbrances may not exceed the appropriation at any level of control. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, several supplemental fund appropriations were legally enacted, however, the amount of the increases were not significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications. Formal budgetary integration is employed as a management control device during the year for all funds, consistent with statutory provisions.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. BUDGETARY DATA - Continued

Encumbrances:

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year end are reported as a reservation of fund balances 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.

5. POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS

To improve cash management, all cash received by the School District is pooled for all funds, including proprietary funds, and maintained in this pool or temporarily used to purchase short term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the combined balance sheet.

During fiscal year 1999, investments were limited to money market funds, repurchase agreements, and U.S. Treasury Notes. All investments of the School District had a maturity of two years or less. Except for nonparticipating investments contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

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

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

5. POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS - Continued

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are considered to be investments.

6. 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 costs of inventory items are recorded as expenditures in the governmental fund types when purchased. Inventories consists of donated food, purchased food, and school supplies held for resale and are expensed when used. Materials and supplies inventory has not been reported in the governmental funds since the balance is insignificant.

7. RESTRICTED ASSETS

Restricted assets in the general fund represents cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. A fund balance reserve has also been established.

8. FIXED ASSETS AND DEPRECIATION

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date donated. The School District has established a capitalization threshold for fixed assets at \$1,000. Books, records, movies, and other learning aids kept at the School District Library are also included for reporting purposes. The School District does not possess any infrastructure.

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

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the proprietary fund types is computed using the straight-line basis over an estimated useful life of five to ten years.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

9. INTERGOVERNMENTAL REVENUES

For governmental funds, intergovernmental revenue, 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 received for proprietary fund operating purposes are recognized as non-operating revenues in the accounting period in which they are earned and become measurable. The School District currently participates in several State and Federal programs, categorized as follows:

Entitlements

General Fund

State Foundation Program
State Property Tax Relief
School Bus Purchase Reimbursement
Textbook and Materials

Special Revenue Funds

Disadvantaged Pupil Impact Aid

Non-Reimbursable Grants

Special Revenue Funds

Cooperative Learning
Venture Capital
Auxiliary Services
Education Management Information System
Public School Preschool
Title I
Title VI
Title VI-B
Drug Free Schools
Professional Development Block Grant
Goals 2000

Capital Projects Funds

School Net Plus

Reimbursable Grants

General Fund

Driver Education

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

9 INTERGOVERNMENTAL REVENUES - Continued

Reimbursable Grants - Continued

Proprietary Funds

National School Lunch Program
National School Breakfast Program
Government Donated Commodities

Grants and entitlements amounted to approximately fifty-two percent of the School District's operating revenue during the 1999 fiscal year.

10. COMPENSATED ABSENCES

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

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

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

11. 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 and contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Capital leases, and long-term loans are reported as a liability of the general long-term obligations account group until due. Payments made more than sixty days after fiscal year-end are generally considered not to have been made with current available financial resources.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

11. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS - *Continued*

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

Under Ohio law, a debt retirement fund may be created and used for the payment of tax and revenue anticipation notes. Generally accepted accounting principles requires the reporting of the liability in the funds that received the proceeds. To comply with GAAP reporting requirements, the School District's debt service fund has been split among the appropriate funds. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

12. INTERFUND TRANSACTIONS

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

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

13. SHORT-TERM, INTERFUND ASSETS/LIABILITIES

Receivables and payables resulting from transactions between funds for services or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

14. FUND BALANCE RESERVES

The School District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations or expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, property taxes, notes receivable, and for budget stabilization. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State Statute. Notes receivable are loans made to students from the expendable trust fund.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

15. 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 could differ from those estimates.

16. TOTAL COLUMNS ON GENERAL PURPOSE FINANCIAL STATEMENTS

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

NOTE B - ACCOUNTABILITY

At June 30, 1999, the auxiliary services, MIS, disadvantaged pupil impact aid, job training and vocational education special revenue funds had a deficit fund balance of \$708, \$558, \$24,801, \$2,797, and \$600, respectively, which were created by the application of generally accepted accounting principles. The general fund is liable for any deficits in these funds and provides operating transfers when cash is required, not when accruals occur.

NOTE C - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are reported 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).

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE C - BUDGETARY BASIS OF ACCOUNTING - Continued

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 a note disclosure for proprietary fund types (GAAP basis).
4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. Proceeds from and principal payments on bond and revenue anticipation notes are reported on the operation statement (budget basis) rather than as balance sheet transactions (GAAP basis).
6. The School District repays short-term note debt from the debt service fund (budget basis) as opposed to the fund that received the proceeds (GAAP basis). Debt service fund resources used to pay both principal and interest have been allocated accordingly.

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
Governmental Fund Types**

	General	Special Revenue	Capital Projects	Expendable Trust
GAAP Basis	\$ 995,511	\$ 17,592	\$ 897,693	\$ (223,158)
Revenue Accruals	(203,177)	1,896	(10,281)	24,525
Expenditure Accruals	252,043	2,315	(38,565)	129,708
Advances In	4,532	4,421	0	185
Advances Out	(9,891)	(4,532)	0	0
Transfers	(759)	(1,005)	(207)	0
Budget Basis	\$ 1,038,259	\$ 20,687	\$ 848,640	\$(68,740)

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE C - BUDGETARY BASIS OF ACCOUNTING - Continued

**Net Income (Loss)/Revenues Over (Under)
Expenses, Advances and Operating Transfers
Proprietary Fund Types**

	<u>Enterprise</u>
GAAP Basis	\$ 49,300
Revenue Accrual	(90,288)
Expense Accrual	33,764
Capital Acquisition	(25,926)
Depreciation	9,222
Budget Basis	<u>\$ (23,928)</u>

NOTED D - DEPOSITS AND INVESTMENTS

Statutes require the classification of monies held by the School District into three categories.

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

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

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

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE D - DEPOSITS AND INVESTMENTS - Continued

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Interim monies may be invested or deposited 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 or 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);
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 monies 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 District, and must be purchased with the expectation that it will be held to maturity.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE D - DEPOSITS AND INVESTMENTS - Continued

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements."

1 Deposits

At fiscal year-end, the carrying amount of the School District's deposits was \$(196,626) and the bank balance was \$149,513. \$101,421 of the bank balance was covered by federal depository insurance. \$48,092 was uninsured and uncollateralized. Although securities serving as collateral were held by the pledging financial institution trust department or agent in the School District's name and all State statutory requirements for the deposit of money have been followed, noncompliance with federal requirements would potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

2. Investments

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

	Category 1	Category 2	Category 3	Carrying Amount	Fair Value
Marketable Securities	\$ 0	\$ 38,775	\$ 0	\$ 38,775	\$ 38,775
Money Market Fund	0	0	2,120,792	2,120,792	2,120,792
Repurchase Agreement	0	0	1,386,052	1,386,052	1,386,052
U.S. Treasury Bonds and Notes	0	0	2,631,363	2,631,363	2,631,363
	<u>\$ 0</u>	<u>\$ 38,775</u>	<u>\$ 6,138,207</u>	<u>\$ 6,176,982</u>	<u>\$ 6,176,982</u>

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE D - DEPOSITS AND INVESTMENTS - Continued

The Classification of cash and cash equivalents and investments on the combined balance sheet is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined balance sheet and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/ Deposits	Investments
GASB Statement No. 9	\$ 5,980,356	\$ 0
Investments:		
Marketable Securities	(38,775)	38,775
U.S. Treasury Notes	(2,631,363)	2,631,363
Money Market Fund	(2,120,792)	2,120,792
Repurchase Agreement	(1,386,052)	1,386,052
GASB Statement No. 3	\$ (196,626)	\$ 6,176,982

NOTE E - NOTES RECEIVABLE

The special trust expendable trust fund was established in 1984 through a probate will. Qualified students may borrow, interest free, any amount to pay for the costs of higher education. Repayments begin six months after termination of college attendance.

At the close of fiscal year 1999, there are 50 students with a total principal loan balance outstanding of \$82,790, which is fully collectible. During the year ended June 30, 1999, the School District determined prior receivables of \$134,327 were uncollectible and amounts were expensed under the direct write-off method of accounting for bad debt.

NOTE F - PROPERTY TAXES

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

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE F - PROPERTY TAXES - Continued

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

	1998 Second- Half Collections		1999 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$200,856,395	76.50%	\$208,009,158	77.30%
Public Utility	17,933,520	6.80	17,858,880	6.60
Tangible Personal Property	43,709,800	16.70	43,079,879	16.10
Total Assessed value	<u>\$262,499,715</u>	<u>100.00%</u>	<u>\$268,947,917</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$52.84		\$52.84	

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

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

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

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 1999. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 1999, was \$923,972 in the general fund and \$25,342 in the permanent improvement capital projects fund.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE G - RECEIVABLES

Receivables at June 30, 1999, consisted of taxes, accounts (rent, billings for user charged services, and student fees), intergovernmental grants, and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
General Fund	
Rental	\$ 79,250
Tuition	53,338
Other	13,945
	<u>146,533</u>
Enterprise Fund	
Food Subsidy	58,745
Total	<u><u>\$ 205,278</u></u>

NOTE F - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 1999, the School District contracted with Nationwide Insurance for property and fleet insurance, liability insurance and inland marine coverage. Coverages provided by Nationwide Insurance are as follows:

Building and Contents-replacement cost (\$1,000 deductible)	\$68,449,300
Inland Marine Coverage (zero deductible)	225,471
Boiler and Machinery (zero deductible)	23,434,300
Automobile Liability (\$100 deductible)	2,000,000
Uninsured Motorists (\$250 deductible)	300,000
General Liability	
Per occurrence	1,000,000
Total per year	5,000,000

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

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE F - RISK MANAGEMENT - Continued

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

The School District has contracted with the Stark County School Council of Governments Health Benefits Program to provide employee medical/surgical and dental benefits. The Stark County School Council of Governments Health Benefits Programs is a shared risk pool comprised of fifteen school districts. Rates are set through an annual calculation process. The School District pays a monthly contribution which is paid to a common fund from which claim payments are made for all participants regardless of claims flow. The board of directors has the right to return monies to an exiting school district subsequent to the settlements of all expenses and claims. The School District pays premiums of \$467.15 for family coverage and \$192.31 for single coverage per employee per month.

Dental insurance is also provided through the Stark County School Council of Governments Health Benefits Program. Premiums for dental coverage are \$60.23 for family coverage and \$24.42 for single coverage per employee per month.

NOTE G - DEFINED BENEFIT PENSION PLANS

1 SCHOOL EMPLOYEES RETIREMENT SYSTEM

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

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE G - DEFINED BENEFIT PENSION PLANS - Continued

1. SCHOOL EMPLOYEES RETIREMENT SYSTEM - Continued

Plan members are required to contribute nine (9) percent of their annual covered salary and Ravenna City School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. For fiscal year 1999, 9.02 percent was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The Ravenna City School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$ 226,946, \$240,655, and \$219,527, respectively; 23 percent has been contributed for fiscal year 1999 and 100 percent for the fiscal years 1998 and 1997. \$175,752, representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds and the general long-term obligations account group.

2. STATE TEACHERS' RETIREMENT SYSTEM

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

Plan members are required to contribute 9.3 percent of their annual covered salary and Ravenna City School District is required to contribute 14 percent; 10.5 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's contributions for pension obligations to STRS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$ 1,140,650, \$1,150,542, and \$1,190,567, respectively; 78 percent has been contributed for fiscal year 1999 and 100 percent for the fiscal years 1998 and 1997. \$246,524, representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds and the general long-term obligations account group.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE G - DEFINED BENEFIT PENSION PLANS - Continued

3. SOCIAL SECURITY

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, 1999, two members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE H - POST-EMPLOYMENT BENEFITS

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers' Retirement System (STRS), and to retired noncertified 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 funded on a pay-as-you-go basis.

The State Teachers' Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Board allocated employer contributions equal to two percent of covered payroll to Health Care Reserve Fund. For the School District, this amount equaled \$365,134.

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

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

For the fiscal year, employer contributions to fund health care benefits were 4.98 percent of covered payroll. 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 1998, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE H - POST-EMPLOYMENT BENEFITS - Continued

The target level for the health care reserve is 125 percent of annual health care expenses. Expenses for health care at June 30, 1998, were \$111,900,575 and the target level was \$139.9 million. At June 30, 1999 SERS had net assets available for payment of health care benefits of \$160.3 million. SERS has approximately 50,000 participants currently receiving health care benefits. For the School District, the amount to fund health care benefits, including surcharge, equaled \$186,230 during the 1999 fiscal year.

NOTE I - EMPLOYEE BENEFITS

1. COMPENSATED ABSENCES

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 280 days for classified employees with no limit for certified employees. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 57 days for classified employees and 85 days for certified employees.

2. HEALTH, DENTAL AND LIFE INSURANCE

The School District provides health, dental, and life insurance and accidental death and dismemberment insurance to its employees. Life insurance is provided through the Stark County School Council of Government Health Benefits Program.

NOTE J - CAPITAL LEASES - LESSEE DISCLOSURE

The School District has entered into capitalized leases for equipment and furniture and fixtures. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting of Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the general purpose financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

General fixed assets leased equipment have been capitalized in the general fixed assets account group in the amount of \$5,640,462. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE J - CAPITAL LEASES - LESSEE DISCLOSURE - Continued

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

<u>Fiscal Year Ending June 30,</u>	<u>GLTOAG</u>
2000	\$ 292,954
2001	790,537
2002	763,334
2003	766,248
2004	763,368
Thereafter	<u>3,796,150</u>
Total	7,172,591
Less: Amount Representing Interest	<u>(1,575,825)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$5,596,766</u></u>

NOTE K - INTERFUND

Interfund balances at June 30, 1999, consist of the following individual fund receivables and payables:

Interfund Receivable/Payable			
<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>	
General	\$ 8,140		
Special Revenue			
Principal's Support			1,024
Athletics			785
PPIC Grant			2,798
Title I			<u>600</u>
			<u>5,207</u>
Trust and Agency			<u>2,933</u>
Total Interfund Receivable / Payable	<u>\$ 8,140</u>		<u>\$ 8,140</u>

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE L - LONG-TERM OBLIGATIONS

Energy Conservation Bonds - On March 1, 1994, Ravenna School District issued \$825,000 in unvoted general obligation bonds for the purpose of providing energy conservation measures for the School District, under the authority of Ohio Revised Code Sections 133.06(G) and 3313.372. The bonds were issued for a ten year period with final maturity during fiscal year 2004. The bonds will be retired from the debt service fund.

Energy Conservation Bonds - On July 28, 1998, Ravenna School District issued \$135,000 in unvoted general obligation bonds for the purpose of providing energy conservation measures for the School District, under the authority of Ohio Revised Code Sections 133.06(G) and 3313.372. The bonds were issued for a ten year period with final maturity during fiscal year 2000. The bonds will be retired from the debt service fund.

Capital leases will be paid from the General Fund. Compensated absences and the intergovernmental obligation, which represent contractually required pension contributions paid outside the available period, will be paid from the fund from which the employee's salaries are paid.

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

	Principal Outstanding 6/30/98	Additions	Deductions	Principal Outstanding 6/30/99
Energy Conservation Bond 1994 - 5.25%	\$ 620,000	\$ 0	\$ (75,000)	\$ 545,000
Energy Conservation Bonds 1998 - 4.72%	135,000	0	(42,941)	92,059
Capital Leases	65,295	5,550,000	(18,529)	5,596,766
Pension Obligations	141,454	138,285	(141,454)	138,285
Compensated Absences	2,062,798	33,587	(156,251)	1,940,134
Total General Long-term Obligations	<u>\$ 3,024,547</u>	<u>\$ 5,721,872</u>	<u>\$ (434,175)</u>	<u>\$ 8,312,244</u>

RAVENNA CITY SCHOOL DISTRICT
PORTAGE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE L - LONG-TERM OBLIGATIONS -Continued

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2000	\$ 124,968	\$ 30,858	\$ 155,826
2001	132,091	24,404	156,495
2002	90,000	17,588	107,588
2003	95,000	12,731	107,731
2004	95,000	7,744	102,744
2005	100,000	2,625	102,625
Total	<u>\$ 637,059</u>	<u>\$ 95,950</u>	<u>\$ 733,009</u>

NOTE M - FIXED ASSETS

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

Furniture and Equipment	\$ 293,604
Less Accumulated Depreciation	<u>(192,162)</u>
Net Fixed Assets	<u>\$ 101,442</u>

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

Asset Category	Balance at 6/30/98	Additions	Deductions	Balance at 6/30/99
Land and Improvements	\$ 623,715	\$ 0	\$ 0	\$ 623,715
Buildings and Improvements	6,833,888	561,271	190,092	7,205,067
Furniture, Fixtures and Equipment	3,466,924	365,814	71,196	3,761,542
Vehicles	1,187,524	101,602	0	1,289,126
Leased Equipment and Facilities	90,462	5,550,000	0	5,640,462
Totals	<u>\$ 12,202,513</u>	<u>\$ 6,578,687</u>	<u>\$261,288</u>	<u>\$ 18,519,912</u>

**RAVENNA CITY SCHOOL DISTRICT
PORTAGE COUNTY**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE N - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The School District maintains three enterprise funds to account for the operations of food service, uniform school supplies, and special enterprise. The table below reflects the more significant financial data relating to the enterprise funds of the Ravenna City School District as of and for the fiscal year ended June 30, 1999.

	Food Service	Uniform School Supplies	Special Enterprise	Total Enterprise Funds
Operating Revenues	\$ 360,942	\$ 85,448	\$ 300,121	\$ 746,511
Operating Expenses Before				
Depreciation	766,363	97,132	234,996	1,098,491
Depreciation	5,243	0	3,979	9,222
Operating Income (Loss)	(410,664)	(11,684)	61,146	(361,202)
Operating Grants	354,843	0	0	354,843
Net Income (Loss)	(20,268)	416	69,152	49,300
Net Working Capital	214,148	12,144	147,701	373,993
Total Assets	359,780	12,144	225,939	597,863
Total Equity	271,832	12,144	191,459	475,435
Reserve for Encumbrances	2,702	4,257	7,460	14,419

NOTE O - JOINTLY GOVERNED ORGANIZATIONS

Stark-Portage Area Computer Consortium - The School District is a participant in the Stark-Portage Area Computer Consortium. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computer and other electronic equipment to administrative and instructional functions among member districts. The governing board of SPARC consists of two representatives from each county elected by majority vote of all charter member school districts within each county plus one representative from the fiscal agent. Financial information can be obtained from Gene Feucht, who serves as director, at 2100 38th Street N.W., Canton, Ohio 44709.

Maplewood Area Joint Vocational School - The Maplewood Area Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of two representatives from each of the ten participating school districts' elected boards, which possesses its own budgeting and taxing authority. The jointly governed organization was formed for the purpose of providing vocational instruction to juniors and seniors in the participating districts. To obtain financial information write to the Maplewood Area Joint Vocational School, Doris Hart, who serves as Treasurer, at 7075 State Route 88, Ravenna, Ohio 44266-9131.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE P - POOLS

1. INSURANCE PURCHASING POOL

Ohio School Board's Association Workers' Compensation Group Rating Plan - The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school district pays an enrollment fee to the GRP to cover the costs of administering the program.

2. RISK SHARING POOL

The Stark County School's Council of Governments Health Benefits Program - The benefits program is a shared risk pool comprised of three counties and twenty-five school districts. The consortium is governed by an assembly which consists of one representative from each participating school district (usually the superintendent or designee). The assembly elects officers for one year terms to serve as the Board of Directors. The assembly exercises control over the operation of the consortium. All consortium revenues are generated from charges for services.

NOTE Q - RELATED ORGANIZATION

Reed Memorial Public Library - The Reed Memorial Public Library is a distinct political subdivision of the State of Ohio created under chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Ravenna School District Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operational subsidies. Although the School District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax and the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Reed Memorial Public Library, L. Joan Sabo, Clerk/Treasurer, at 167 East Main Street, Ravenna, Ohio 44266.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE R - CONTINGENCIES

1. GRANTS

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

2. SCHOOL FOUNDATION MONEY

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 provide significant amounts of monetary support to the School District. During the fiscal year ended June 30, 1999, the School District received \$9,329,456 of school foundation support for its general fund.

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

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

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE 5 - OTHER REQUIRED FUND DISCLOSURES

Set-Aside Requirements

State of Ohio House Bill 412 requires the School District to set-aside a portion of their general operating resources for future use. For the fiscal year ended June 30, 1999, the following table discloses the required set-asides.

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>	<u>Totals</u>
Set-aside Cash Balance as of June 30, 1998	\$ 0	\$ 0	\$ 116,650	\$ 116,650
Current Year Set-aside Requirements	128,582	128,582	64,290	321,454
Current Year Offsets	0	0	0	0
Qualifying Disbursements	<u>(406,711)</u>	<u>(303,214)</u>	<u>0</u>	<u>(709,925)</u>
Total	<u>(278,129)</u>	<u>(174,632)</u>	<u>180,940</u>	
Cash Balance Carried Forward to FY 2000	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 180,940</u>	
Total Restricted Assets				<u>\$ 180,940</u>

Although the School District had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero, these extra amounts may not be used to reduce the set-aside requirements of future years. Negative amounts are therefore not presented as being carried forward to the next fiscal year.

SUPPLEMENTAL INFORMATION

SUPPLEMENTAL INFORMATION (unaudited)

June 30, 1999

Year 2000 Issue

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the government's operations.

The School District is in the process of completing an inventory of computer systems and other equipment necessary to conducting School District operations.

The School District uses the State of Ohio Uniform Accounting Systems software for its financial reporting, and the State of Ohio Uniform Staff Payroll Systems software for its payroll and employee benefits. The State is responsible for remediating these systems.

The State of Ohio distributes a substantial sum of money to the School District in the form of "Foundation" and federal and state grant payments. Further, the State processes a significant amount of financial and non-financial information about the School District through the State's Education Management and Information Systems (EMIS). The State is responsible for remediating these systems.

Tax collection for the School District is handled by Portage County. The County is responsible for remediating this system and is solely responsible for any costs associated with this project.

Ohio Edison provides the electricity to the School District. The School District has not obtained assurance from Ohio Edison regarding remediating this system. Ohio Edison is responsible for remediating this system and is solely responsible for any associated costs.

East Ohio Gas provides natural gas to the School District. The School District has not obtained assurance from the gas company regarding remediating this system. East Ohio Gas is responsible for remediating this system and is solely responsible for any associated costs.

Ravenna City provides the water and sewer services to the School District. The School District has not obtained assurance from the City regarding remediating this system. The City of Ravenna is responsible for remediating this system and is solely responsible for any associated costs.

The School District is in the process of testing and validating the School District's internal systems and anticipates the School District will be compliant.

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

RAVENNA CITY SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

FEDERAL GRANTOR/ SUB GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL CASH RECEIPTS	OTHER FEDERAL RECEIPTS	FEDERAL CASH DISBURSEMENTS	OTHER FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE/						
Passed-through the Ohio Department of Education:						
<i>Child Nutrition Cluster:</i>						
Food Distribution	10.550	N/A	\$ 0	\$ 35,553	\$ 0	\$ 29,455
National School Lunch Program	10.555	044658-03-PU-98	3,706		3,706	
		044658-03-PU-9	32,873		32,873	
		044658-04-PU-98	20,353		20,353	
		044658-04-PU-99	185,963		185,963	
			<u>242,895</u>		<u>242,895</u>	
School Breakfast Program	10.553	044658-05-PU-98	4,688		4,688	
		044658-05-PU-99	28,844		28,844	
			<u>33,532</u>		<u>33,532</u>	
Total U.S. Department of Agriculture - Child Nutrition Cluster			<u>276,427</u>	<u>35,553</u>	<u>276,427</u>	<u>29,455</u>
U.S. DEPARTMENT OF LABOR/						
Passed-through Portage Private Industry Council:						
Job Training PPIC	17.246	1999	0		2,797	
Total U.S. Department of Labor			<u>0</u>		<u>2,797</u>	
U.S. DEPARTMENT OF EDUCATION/						
Passed-through the Ohio Department of Education:						
Agencies (Title I of ESEA)	84.010	044658-C1-S1-98	0		21,057	
Agencies (Title I of ESEA)		044658-C1-S1-98	51,284		142,092	
Agencies (Title I of ESEA)		044658-C1-S1-99	444,146		351,928	
			<u>495,430</u>		<u>515,077</u>	
<i>Special Education Cluster:</i>						
Special Education Assistance to States for Handicapped Children Fund (Title VI-B of ESEA) - Flow-through	84.027	044658-6B-SF-98				23,507
		044658-6B-SF-99		193,516		177,826
				<u>193,516</u>		<u>201,333</u>

RAVENNA CITY SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

FEDERAL GRANTOR/ SUB GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL CASH RECEIPTS	OTHER FEDERAL RECEIPTS	FEDERAL CASH DISBURSEMENTS	OTHER FEDERAL DISBURSEMENTS
Special Education - Preschool Grant	84.173	044658-PG-S1-98 044658-PG-S1-99		2,574 15,717 18,291	0 0 0	7,812 9,332 17,144
Total Special Education Cluster			0	211,807	0	218,477
Vocational Education - Vocation Travel OWA Stipends	84.048	2C-01 2C-01			2,656 600 3,256	
Federal, State, and Local Partnerships for Educational Improvement (Title VI of ESEA)	84.281	044658-MS-S1-98 044658-MS-S1-99	0 16,475 16,475		19,711 197 19,908	
Chapter 2 - Consolidation of Federal Programs for Elementary and Secondary	84.298	044658-C2-S1-99	13,306 13,306		0 0	
Goals 2000	84.276	044685-G2-S2-99 044685-G2-S4-99	20,000 3,000 23,000		2,217 2,217	
Drug Free Schools Grant	84.186	044658-DR-S1-98 044658-DR-S1-99	(1) 37,877 37,876		758 29,508 30,266	
Even Start Program	84.213	044658-EV-S2-97 044658-EV-S2-98 044658-EV-S3-98 044658-EV-S4-99	0 0 15,747 127,328 143,075		2,156 12,678 48,188 99,953 162,975	
Total U.S. Department of Education			729,162	211,807	733,699	218,477

RAVENNA CITY SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

FEDERAL GRANTOR/ SUB GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL CASH RECEIPTS	OTHER FEDERAL RECEIPTS	FEDERAL CASH DISBURSEMENTS		OTHER FEDERAL DISBURSEMENTS	
					DISBURSEMENTS	DISBURSEMENTS	DISBURSEMENTS	DISBURSEMENTS
U.S. DEPARTMENT OF THE INTERIOR								
U.S. FISH AND WILDLIFE SERVICE								
Passed-through the Ohio Department of Wildlife: Hooked on Fishing - Not on Drugs	15.605	N/A	0		87			
CORPORATION OF NATIONAL AND COMMUNITY SERVICES								
Passed-through the Ohio Department of Education: Learn and Serve America - School and Community Based Programs	94.004	046458-SV-S1-99 046458-SV-SP-98	15,000 (5,679) 9,321		15,000 5,750 20,750			
Total Corporation of National and Community Services			9,321		20,750			
Total Federal Financial Assistance			\$ 1,014,910	\$ 247,360	\$ 1,033,760		\$ 247,932	

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes the activity of the District's federal award program. The schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

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

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Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

Board of Education
Ravenna City School District
Ravenna, Ohio 44266

We have audited the general purpose financial statements of the Ravenna City School District (the District), as of and for the year ended June 30, 1999 and have issued our report thereon dated December 10, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audit contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control over Financial Reporting

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



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However, we noted certain matters involving the internal control over financial reporting that we have reported to management of the District, in a separate letter dated December 10, 1999.

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

Moore Stephens Apple

Akron, Ohio
December 10, 1999

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Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133

Board of Education
Ravenna City School District
Ravenna, OH 44266

Compliance

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

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

In our opinion, Ravenna City School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.



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Internal Control Over Compliance

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

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

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

Moore Stephens Apple

Akron, Ohio
December 10, 1999

**Ravenna City School District
Portage County**

**Schedule of Findings and Questioned Costs
June 30, 1999**

Summary of Auditors' Results

Unqualified opinion was issued on the financial statements.

Reportable control weaknesses at the financial statement level - none noted.

There was no material non-compliance at the financial statement level.

Reportable control weaknesses for major federal programs - none noted.

For those items tested, there were no material non-compliance for major federal programs.

Unqualified opinion was issued on major programs compliance.

The audit disclosed no findings under OMB Circular A-133.

The District's major program tested was Title I – Educationally Deprived Children CFDA #84.010

Type A Programs >\$300,000 and the dollar threshold used for Type B programs was \$100,000.

The Auditee was low risk.

There were no audit findings or questioned costs for federal awards during the year ended June 30, 1999.

Ravenna City School District - Portage County

Schedule of Prior Audit Findings

The prior audit report of the Ravenna City School District, issued as of June 30, 1998, included no citations and no recommendations.



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OFFICE OF THE AUDITOR

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RAVENNA CITY SCHOOL DISTRICT

PORTAGE COUNTY

CLERK'S CERTIFICATION

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

By: Susan Babbitt

Date: JAN 18 2000