

TIFFIN CITY SCHOOL DISTRICT

SENECA COUNTY

JULY 1, 1999 TO JUNE 30, 2000

PREPARED BY: Pry CPA Services, Inc.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1st Floor
Columbus, Ohio 43215
Telephone 614-466-4514
800-282-0370
Facsimile 614-728-7398

Board of Education
Tiffin City School District
Tiffin, Ohio

We have reviewed the Independent Auditor's Report of the Tiffin City School District, Seneca County, prepared by Pry CPA Services, Inc., for the audit period July 1, 1999 to June 30, 2000. 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 Tiffin City School District is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

February 27, 2001

TIFFIN CITY SCHOOL DISTRICT, OHIO
TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Schedule of Elected Officials	1
Schedule of Administrative Personnel	2
Index of Funds	3
Independent Auditor's Report on General Purpose Financial Statements and Supplementary Schedule of Federal Awards Expenditures	5
Combined Balance Sheet - All Fund Types and Account Groups	6
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental and Similar Fiduciary Fund Types	8
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types	9
Combined Statement of Revenues, Expenditures, and Changes in Fund Equity – All Proprietary Fund Types and Non-Expendable Trust Fund	10
Combined Statement of Cash Flows - All Proprietary Fund Types and Non-Expendable Trust Fund	11
Notes to the General Purpose Financial Statements	12
Summary Schedule of Prior Audit Findings	41
Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	42
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	44
Schedule of Federal Awards Expenditures (Non-GAAP Basis)	46
Schedule of Findings	47
Conclusion Statement	49

TIFFIN CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF ELECTED OFFICIALS
 AS OF JUNE 30, 2000

NAME	TITLE	TERM OF OFFICE	SURETY TYPE	SURETY AMOUNT	SURETY PERIOD
Board of Education					
Dawn Iannantuono	President	1/1/98 to 12/31/01	(A)	\$10,000	continuous
			(B)	2,000	1/1/98 to 12/31/01
John Bolte	Vice-President	1/1/00 to 12/31/03	(A)	10,000	continuous
			(B)	2,000	1/1/00 to 12/31/03
Christopher English	Member	1/1/98 to 12/31/01	(A)	10,000	continuous
			(B)	2,000	1/1/98 to 12/31/01
Robert Joyce	Member	1/1/98 to 12/31/01	(A)	10,000	continuous
			(B)	2,000	1/1/98 to 12/31/01
Patricia Hillmer	Member	1/1/00 to 12/31/03	(A)	10,000	continuous
			(B)	2,000	1/1/00 to 12/31/03

Legal Counsel

George Roberts
 Ennis, Roberts & Fischer Co., LPA
 121 W. Ninth Street
 Cincinnati, Ohio 45202-1904

Brent Howard
 Suspance & Howard
 84-88 S. Washington Street
 P.O. Box 767
 Tiffin, Ohio 44883

- (A) Lindsay Insurance/Westfield
- (B) Through Ohio School Board Association

TIFFIN CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF ADMINISTRATIVE PERSONNEL
 AS OF JUNE 30, 2000

<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>	<u>SURETY TYPE</u>	<u>SURETY AMOUNT</u>	<u>SURETY PERIOD</u>
Denise D. Callihan	Superintendent	7/1/99 to 6/30/01	(A)	\$10,000	continuous
			(B)	2,000	10/1/97 to 1/1/2001
Fredric G. Barba	Treasurer	7/1/00 to 12/31/04	(C)	20,000	12/31/96 to 12/31/00

- (A) Lindsay Insurance/Westfield
- (B) Through Ohio School Board Association
- (C) United Insurance/Westfield

TIFFIN CITY SCHOOL DISTRICT, OHIO
INDEX OF FUNDS

GOVERNMENTAL FUND TYPE:

General Fund

Special Revenue Funds:

Public School Support Fund
M. H. Jennings Fund
Venture Capital Fund
District Managed Student Activity/Athletic Fund
Auxiliary Services Fund
Professional Staff Development Fund
Education Management Information System Fund
Ohio Reads Grant Fund
Alternative School Grant Fund
School Improvement Incentives Grant Fund
Disadvantaged Pupil Impact Aid Fund
Instructional Material Fund
School to Work Grant Fund
Dwight D. Eisenhower Professional Development Fund
Title VI-B – Education of all Handicapped Fund
Title I - Educationally Deprived Children Fund
Title VI - Innovative Education Program Fund
Chapter 2 Fund
Safe and Drug-Free Schools and Communities Grant Program Fund
Ohio School to Work Fund
Technology Literacy Challenge – Raising the Bar
Class Size Reduction

Debt Service Fund:

Bond Retirement Fund

Capital Project Funds:

Permanent Improvement Fund
Tiffin City Schools Stadium Project Fund
School Net Plus Fund
Ohio School Net Ameritech Program Fund
Technology Equity Fund
Ohio Power Up Fund
Emergency Building Repair Fund

PROPRIETARY FUND TYPE:

Enterprise Funds:

Food Services Fund
Uniform School Supply Fund

Internal Service Fund:

Self-Insurance Fund (OME-RESA)

TIFFIN CITY SCHOOL DISTRICT, OHIO
INDEX OF FUNDS

FIDUCIARY FUND TYPES:

Trust and Agency Funds:

Expendable Trust Fund:

Scholarship Fund

Nonexpendable Trust Fund:

Endowment Fund

Agency Fund:

Student Managed Activity Fund

ACCOUNT GROUPS:

General Fixed Assets

General Long-Term Obligations



INDEPENDENT AUDITOR'S REPORT ON GENERAL PURPOSE FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF FEDERAL AWARDS EXPENDITURES

Board of Education
Tiffin City School District, Seneca County, Ohio

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

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2000 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements 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.

Findlay, Ohio

Pry CPA Services, Inc.

October 20, 2000

TIFFIN CITY SCHOOL DISTRICT, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2000

	Governmental Fund Types		
<u>Assets:</u>	General	Special Revenue	Capital Projects
Equity in Pooled Cash and Cash Equivalents	\$847,936	\$542,699	\$1,419,323
Cash and Cash Equivalents: In Segregated Accounts With Fiscal Agent			
Receivables:			
Taxes	9,197,256		228,186
Accounts	5,570		
Intergovernmental	6,935	52,631	
Accrued Interest	2,908		
Due from Other Funds	403		
Prepaid Items	29,992		
Inventory Held for Resale			
Restricted Assets:			
Equity In Pooled Cash and Cash Equivalents	141,077		
Property, Plant and Equipment (Net, where applicable, of accumulated depreciation)			
Amounts to be Provided for Retirement of General Long-Term Obligations			
Total Assets	\$10,232,077	\$595,330	\$1,647,509

The accompanying notes are an integral part of the general purpose financial statements.

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>Account Groups</u>		<u>Totals</u>
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust & Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	<u>(Memorandum Only)</u>
\$56,024		\$55,728			\$2,921,710
		403			403
	\$562,705				562,705
					9,425,442
					5,570
					59,566
					2,908
					403
916					30,908
18,425					18,425
					141,077
44,253			\$16,089,432		16,133,685
				\$2,610,201	2,610,201
<u>\$119,618</u>	<u>\$562,705</u>	<u>\$56,131</u>	<u>\$16,089,432</u>	<u>\$2,610,201</u>	<u>\$31,913,003</u>

TIFFIN CITY SCHOOL DISTRICT, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2000

	Governmental Fund Types		
<u>Liabilities:</u>	General	Special Revenue	Capital Projects
Accounts Payable	\$130,127	\$51,076	\$89,090
Contracts Payable			61,240
Accrued Wages and Benefits	1,516,450	117,984	
Compensated Absences Payable	55,024		
Intergovernmental Payable	185,287	1,128	
Deferred Revenue	8,683,410		215,010
Due to Other Funds			
Due to Students			
Notes Payable			
General Obligation Bond Payable			
Total Liabilities	10,570,298	170,188	365,340
 <u>Fund Equity and Other Credits:</u>			
Investment in General Fixed Assets			
Retained Earnings:			
Reserved for Catastrophic Claims			
Unreserved			
Contributed Capital			
Fund Balances:			
Reserved for Encumbrances		167,071	
Reserved for Prepaid Items	29,992		
Reserved for Taxes Unappropriated	513,846		13,176
Reserved for Budget Stabilization	141,077		
Reserved for Endowments			
Unreserved:			
Undesignated	(1,023,136)	258,071	1,268,993
Total Fund Equity (Deficit) and Other Credits	(338,221)	425,142	1,282,169
Total Liabilities, Fund Equity, and Other Credits	\$10,232,077	\$595,330	\$1,647,509

The accompanying notes are an integral part of the general purpose financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals
Enterprise	Internal Service	Trust & Agency	General Fixed Assets	General Long-Term Obligations	(Memorandum Only)
\$3,249					\$273,542
					61,240
43,156		\$375		\$35,000	1,712,965
25,534				871,483	952,041
37,344				384,045	607,804
10,982					8,909,402
		403			403
		34,724			34,724
				1,173,331	1,173,331
				146,342	146,342
120,265	\$0	35,502	\$0	2,610,201	13,871,794
			16,089,432		16,089,432
	562,705				562,705
(26,434)					(26,434)
25,787					25,787
					167,071
					29,992
					527,022
					141,077
		11,000			11,000
		9,629			513,557
(647)	562,705	20,629	16,089,432	0	18,041,209
\$119,618	\$562,705	\$56,131	\$16,089,432	\$2,610,201	\$31,913,003

TIFFIN CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2000

	Governmental Fund Types			Fiduciary	Totals	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	(Memorandum Only)
Revenues:						
Taxes	\$8,561,580			\$212,689		\$8,774,269
Intergovernmental	9,165,188	\$1,785,245		54,787	\$1,000	11,006,220
Interest	187,281	3,800		2,411	230	193,722
Tuition and Fees	20,785					20,785
Extracurricular Activities		289,737				289,737
Classroom Materials and Fees	8,360					8,360
Miscellaneous	64,909	69,873		1,561,214	6,343	1,702,339
Total Revenues	18,008,103	2,148,655	\$0	1,831,101	7,573	21,995,432
Expenditures:						
Current:						
Instruction:						
Regular	9,217,548	447,234				9,664,782
Special	1,303,878	319,022				1,622,900
Vocational	321,641	2,811				324,452
Other	325,946					325,946
Supporting Services:						
Pupil	744,799	181,313				926,112
Instructional Staff	929,582	339,832			5,610	1,275,024
Board of Education	28,012					28,012
Administration	1,646,524	42,915				1,689,439
Fiscal	575,724	474				576,198
Operation and Maintenance	3,049,993	479				3,050,472
Pupil Transportation	491,549					491,549
Operation of Non-Instructional Services:						
		558,304			1,850	560,154
Extracurricular Activities	342,055	280,873				622,928
Capital Outlay	244,046			1,850,484		2,094,530
Debt Service:						
Principal Retirement			182,046			182,046
Interest and Fiscal Charges			41,707			41,707
Total Expenditures	19,221,297	2,173,257	223,753	1,850,484	7,460	23,476,251
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(1,213,194)	(24,602)	(223,753)	(19,383)	113	(1,480,819)
Other Financing Sources (Uses):						
Transfers - In	60,766		223,753			284,519
Transfers - Out	(223,753)			(19,735)		(243,488)
Proceeds from Sale of Fixed Assets	2,616			500		3,116
Proceeds from Bonds				175,000		175,000
Proceeds From Notes				1,200,000		1,200,000
Refund of Prior Year Expenditures	12,674					12,674
Total Other Financing Sources (Uses)	(147,697)	0	223,753	1,355,765	0	1,431,821
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under)						
Expenditures and Other Financing Uses	(1,360,891)	(24,602)	0	1,336,382	113	(48,998)
Fund Balance (Deficits), Beginning of Year						
				(54,213)	7,209	(47,004)
Fund Balance, Beginning of Year, as Restated	1,022,670	449,744				1,472,414
Fund Balance (Deficit), End of Year	(\$338,221)	\$425,142	\$0	\$1,282,169	\$7,322	\$1,376,412

The accompanying notes are an integral part of the general purpose financial statements.

TIFFIN CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2000

	General Fund			Special Revenue Fund			Debt Service Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance-Favorable (Unfavorable)	Revised Budget	Actual	Variance-Favorable (Unfavorable)
Revenues:									
Taxes	\$8,888,203	\$8,818,199	(\$70,004)			\$0			\$0
Intergovernmental	9,164,250	9,162,588	(1,662)	\$1,799,300	\$1,764,711	(34,589)			0
Interest	190,000	155,948	(34,052)		3,800	3,800			0
Tuition	30,400	30,341	(59)			0			0
Extracurricular Activities			0	297,600	295,658	(1,942)			0
Miscellaneous	67,000	67,634	634	75,500	71,211	(4,289)			0
Total Revenues	18,339,853	18,234,710	(105,143)	2,172,400	2,135,380	(37,020)	\$0	\$0	0
Expenditures:									
Current:									
Instruction:									
Regular	9,232,992	9,227,002	5,990	565,199	497,280	67,919			0
Special	1,305,597	1,309,248	(3,651)	396,750	331,251	65,499			0
Vocational	321,350	320,534	816	3,000	3,986	(986)			0
Other	349,000	347,006	1,994			0			0
Supporting Services:									
Pupils	753,892	753,009	883	222,093	192,844	29,249			0
Instructional Staff	911,000	905,228	5,772	348,077	323,405	24,672			0
Board of Education	34,000	34,424	(424)			0			0
Administration	1,625,800	1,637,008	(11,208)	47,899	43,135	4,764			0
Fiscal	653,450	621,714	31,736	474	474	0			0
Operation and Maintenance	2,979,000	3,006,057	(27,057)	950	479	471			0
Pupil Transportation	492,581	490,032	2,549			0			0
Operation of Non-Instructional Services									
Extracurricular Activities	339,700	339,506	194	327,029	316,568	10,461			0
Capital Outlay	268,000	201,758	66,242			0			0
Debt Service:									
Principal Retirement			0			0	182,293	182,045	248
Interest and Fiscal Charges			0			0	41,707	41,707	0
Total Expenditures	19,266,362	19,192,526	73,836	2,587,741	2,388,169	199,572	224,000	223,752	248
Excess (Deficiency) of Revenues Over (Under) Expenditures	(926,509)	(957,816)	(31,307)	(415,341)	(252,789)	162,552	(224,000)	(223,752)	248
Other Financing Sources (Uses):									
Proceeds of Notes			0			0			0
Proceeds of Bonds			0			0			0
Gain on Sale of Assets	2,650	2,616	(34)			0			0
Refund of Prior Year Expenditures	6,050	6,050	0			0			0
Operating Transfers In	98,000	60,766	(37,234)			0	224,000	223,752	(248)
Operating Transfers Out	(223,753)	(223,753)	0			0			0
Total Other Financing Sources (Uses)	(117,053)	(154,321)	(37,268)	0	0	0	224,000	223,752	(248)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Us	(1,043,562)	(1,112,137)	(68,575)	(415,341)	(252,789)	162,552			0
Fund Balance, Beginning of Year	1,938,717	1,938,717	0	274,432	274,432	0			0
Prior Year Encumbrances Appropriated	35,522	35,522	0	241,059	241,059	0			0
Fund Balances, End of Year	\$930,677	\$862,102	(\$68,575)	\$100,150	\$262,702	\$162,552	\$0	\$0	\$0

The accompanying notes are an integral part of the general purpose financial statements.

Capital Projects Fund			Expendable Trust Funds			Total All Funds		
Revised Budget	Actual	Variance-Favorable (Unfavorable)	Revised Budget	Actual	Variance-Favorable (Unfavorable)	Revised Budget	Actual	Variance-Favorable (Unfavorable)
\$220,600	\$218,459	(\$2,141)			\$0	\$9,108,803	\$9,036,658	(\$72,145)
74,900	54,787	(20,113)	\$1,000	\$1,000	0	11,039,450	10,983,086	(56,364)
2,500	2,411	(89)	300	230	(70)	192,800	162,389	(30,411)
		0			0	30,400	30,341	(59)
		0			0	297,600	295,658	(1,942)
1,562,500	1,561,214	(1,286)	6,700	6,343	(357)	1,711,700	1,706,402	(5,298)
1,860,500	1,836,871	(23,629)	8,000	7,573	(427)	22,380,753	22,214,534	(166,219)
		0			0	9,798,191	9,724,282	73,909
		0			0	1,702,347	1,640,499	61,848
		0			0	324,350	324,520	(170)
		0			0	349,000	347,006	1,994
		0			0	975,985	945,853	30,132
		0	5,560	5,610	(50)	1,264,637	1,234,243	30,394
		0			0	34,000	34,424	(424)
		0			0	1,673,699	1,680,143	(6,444)
		0			0	653,924	622,188	31,736
		0			0	2,979,950	3,006,536	(26,586)
		0			0	492,581	490,032	2,549
		0	1,900	1,850	50	678,170	680,597	(2,427)
		0			0	666,729	656,074	10,655
2,002,736	2,011,894	(9,158)			0	2,270,736	2,213,652	57,084
		0			0	182,293	182,045	248
		0			0	41,707	41,707	0
2,002,736	2,011,894	(9,158)	7,460	7,460	0	24,088,299	23,823,801	264,498
(142,236)	(175,023)	(32,787)	540	113	(427)	(1,707,546)	(1,609,267)	98,279
1,200,000	1,200,000	0			0	1,200,000	1,200,000	0
175,000	175,000	0			0	175,000	175,000	0
500	500	0			0	3,150	3,116	(34)
		0			0	6,050	6,050	0
		0			0	322,000	284,518	(37,482)
(56,933)	(19,735)	37,198			0	(280,686)	(243,488)	37,198
1,318,567	1,355,765	37,198	0	0	0	1,425,514	1,425,196	(318)
1,176,331	1,180,742	4,411	540	113	(427)	(282,032)	(184,071)	97,961
204,315	204,315	0	7,209	7,209	0	2,424,673	2,424,673	0
15,180	15,180	0			0	291,761	291,761	0
\$1,395,826	\$1,400,237	\$4,411	\$7,749	\$7,322	(\$427)	\$2,434,402	\$2,532,363	\$97,961

TIFFIN CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUND
 FOR THE YEAR ENDED JUNE 30, 2000

	Proprietary Funds			Totals (Memorandum Only)
	Enterprise Funds	Internal Service Funds	Non-Expendable Trust Fund	
<u>Operating Revenues:</u>				
Charges for Services	\$431,617			\$431,617
Classroom Materials and Fees	73,256			73,256
Miscellaneous	17,795			17,795
Total Operating Revenues	522,668	\$0	\$0	522,668
<u>Operating Expenses:</u>				
Salaries and Wages	291,985			291,985
Fringe Benefits	108,038			108,038
Purchased Services	8,875			8,875
Materials and Supplies	89,485			89,485
Cost of Sales	294,019			294,019
Depreciation	27,570			27,570
Other Operating Expenses	673			673
Total Operating Expenses	820,645	0	0	820,645
Operating Loss	(297,977)	0	0	(297,977)
<u>Nonoperating Revenues:</u>				
Donated Commodities	73,683			73,683
Interest Income		27,581		27,581
Operating Grants	228,944			228,944
Total Non-Operating Revenues	302,627	27,581	0	330,208
Income Before Operating Transfers	4,650	27,581	0	32,231
Operating Transfer Out	(41,031)			(41,031)
Net Income	(36,381)	27,581	0	(8,800)
Depreciation on Fixed Assets Acquired by Contributed Capital	2,865			2,865
Retained Earnings				
at Beginning of Year		535,124	13,307	548,431
at Beginning of Year, as Restated	7,082			7,082
Retained Earnings (Deficits)/Fund Balance at End of Year	(26,434)	562,705	13,307	549,578
Contributed Capital at Beginning of Year	28,652			28,652
Depreciation on Fixed Assets Acquired by Contributed Capital	(2,865)			(2,865)
Contributed Capital End of Year	25,787	0	0	25,787
Total Fund Equity (Deficits) at End of Year	(\$647)	\$562,705	\$13,307	\$575,365

The accompanying notes are an integral part of the general purpose financial statements.

TIFFIN CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUND
 FOR THE YEAR ENDED JUNE 30, 2000

	<u>Proprietary Funds</u>			Totals (Memorandum Only)
	Enterprise Funds	Internal Service Funds	Non-Expendable Trust Fund	
<u>Cash Flows From Operating Activities:</u>				
Cash Received from Food Services	\$454,834			\$454,834
Cash Received from Other Operating Revenue	73,256			73,256
Cash Payments to Suppliers for Goods and Services	(311,127)			(311,127)
Cash Payments to Employees for Services	(302,339)			(302,339)
Cash Payments for Employees Benefits	(108,654)			(108,654)
Net Cash Used for Operating Activities	(194,030)	\$0	\$0	(194,030)
<u>Cash Flows From Investing Activities:</u>				
Cash Received from Interest on Investments		27,581		27,581
Net Cash Provided by Investing Activities	0	27,581	0	27,581
<u>Cash Flows From Financing Activities:</u>				
Operating Grants Received	279,576			279,576
Operating Transfer Out	(41,031)			(41,031)
Payments for Capital Acquisitions	(5,881)			(5,881)
Net Cash Provided by Financing Activities	232,664	0	0	232,664
Net Increase in Cash and Cash Equivalents	38,634	27,581	0	66,215
Cash and Cash Equivalents, Beginning of Year	17,390	535,124	13,307	565,821
Cash and Cash Equivalents, End of Year	<u>\$56,024</u>	<u>\$562,705</u>	<u>\$13,307</u>	<u>\$632,036</u>
<u>Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:</u>				
Operating Loss	(\$297,977)			(\$297,977)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	27,570			27,570
Donated Commodities Used During the Year	73,683			73,683
Non-operating Change in Accrual	(50,632)			(50,632)
Prior Period Adjustment	31,842			31,842
Changes in Assets and Liabilities:				
Decrease in Accounts Receivable	5,422			5,422
Decrease in Intergovernmental Receivable	50,632			50,632
(Increase) in Prepaid Items	(616)			(616)
Decrease in Inventory Held for Resale	12,819			12,819
Increase in Accounts Payable	3,191			3,191
(Decrease) in Accrued Wages and Benefits	(479)			(479)
(Decrease) in Compensated Absences Payable	(6,265)			(6,265)
(Decrease) in Intergovernmental Payables	(35,452)			(35,452)
(Decrease) in Deferred Revenue	(7,768)			(7,768)
Net Cash Used for Operating Activities	<u>(\$194,030)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$194,030)</u>

The accompanying notes are an integral part of the general purpose financial statement.

TIFFIN CITY SCHOOL DISTRICT, OHIO
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Tiffin City School District, Ohio (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the district's accounting policies are described below:

A. DESCRIPTION OF THE ENTITY

The District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a city school district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District.

Average daily membership (ADM) as of October 1, 2000 was 3,394. The District employed 16 administrative employees, 241 certified employees and 143 non-certified employees.

The District provides regular, vocational, and special instruction. The District also provides support services for the pupils, instructional staff, general and school administration, business and fiscal services, facilities acquisitions and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities, and nonprogrammed services.

This report includes all activities considered by management to be part of the District by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

Section 2100 indicates that the reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

TIFFIN CITY SCHOOL DISTRICT, OHIO
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The financial statements of the reporting entity allow the users to distinguish between the primary government and its component units. Most component units are included in the financial reporting entity by discrete presentation (one or more columns separate from the financial data of the primary government). Some component units are so intertwined with the primary government that they are reported in a manner similar to the balances and transactions of the primary government itself (this method is known as blending).

Management believes the financial statements included in this report represent all of the funds of the District over which Tiffin City School District is financially accountable for.

B. FUND ACCOUNTING

The District uses funds and account groups to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, 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. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities and functions. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

GOVERNMENTAL FUNDS:

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

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

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

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

Capital Projects Fund - The Capital Projects Fund is 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).

TIFFIN CITY SCHOOL DISTRICT, OHIO
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPRIETARY FUNDS:

Proprietary Funds are used to account for the District's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. The following are the District's Proprietary Fund Types:

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

Internal Service Funds - Internal Service Funds are used to account for the financing, on a cost-reimbursement basis, of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments.

FIDUCIARY FUNDS:

Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include Expendable Trust, Nonexpendable Trust and Agency Funds. Agency Funds are presented on a budgetary basis with note disclosure, if applicable, regarding items which, in other fund types, would be subject to accrual.

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 general nature, the following account groups are used:

General Fixed Assets Account Group - This group of accounts is established to account for all fixed assets of the District, other than those accounted for in the Proprietary Funds and Trust Funds.

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

TIFFIN CITY SCHOOL DISTRICT, OHIO
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

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

The modified accrual basis of accounting is followed for Governmental Funds and Expendable Trust Funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period, which for the District is thirty days after the June 30 year-end. Revenues accrued at the end of the year include interest, tuition, grants and entitlements (to the extent such grants and entitlements relate to the current fiscal year), and accounts (student fees and rent). Current property taxes measurable as of June 30, 2000, and which are intended to finance fiscal 2000 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 30 days) and amounts available as an advance on future tax settlements are recognized as revenue at year-end. Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 2000, are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year-end.

The District reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

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

TIFFIN CITY SCHOOL DISTRICT, OHIO
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Proprietary Funds are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

D. BUDGETARY PROCESS

While reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The Combined Statement of Revenue, Expenditures, and Changes in Fund Balances, Budget (Non-GAAP Basis) and Actual, All Governmental Fund Types and Similar Trust Funds and the Combined Statement of Revenues, Expenses and Changes in Retained Earnings, Budget (Non-GAAP Basis) and Actual, All Proprietary Fund Types and Similar Trust Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

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

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established time-table. 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 required to be budgeted and appropriated. The primary level of budgetary control is at the object code function level within each fund. Budgetary modifications may only be made by resolution of the Board of Education.

Tax Budget:

A budget of estimated revenue and expenditures is submitted to the County Auditor, as Secretary of the County Budget Commission, by January 20 of each year, for the period July 1 to June 30 of the following year.

TIFFIN CITY SCHOOL DISTRICT, OHIO
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimated Resources:

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the district by March 1. As part of this certification, the district receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to June 30, the district must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during the year.

Appropriations:

A temporary appropriation resolution to control expenditures may be passed on or about July 1 of each year for the period of July 1 to September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 to June 30. The appropriation resolution fixes spending authority at the fund and function level. The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among functions within a fund may be modified during the year by a resolution of the Board of Education. Several supplemental appropriation resolutions were legally enacted by the Board of Education during the year. The budget figures which appear in the statement of budgetary comparisons represent the final appropriation amounts including all amendments and modifications.

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 non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balances for subsequent-year expenditures.

Lapsing of Appropriations:

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

TIFFIN CITY SCHOOL DISTRICT, OHIO
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. EQUITY IN POOLED CASH AND INVESTMENTS

To improve cash management, all cash received by the District is pooled in a central bank account. Monies for all funds are maintained in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the balance sheet, except those reserved for catastrophic claims, which are maintained by a fiscal agent.

During fiscal year 2000, investments were limited to repurchase agreements. Except for investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at fair value which is based on quoted market prices. Investment contracts and money market investments that had a maturity of one year or less at the time of purchase is reported at cost or amortized cost.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2000 amounted to \$187,281.

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 a maturity of three months or less at the time they are purchased by the school district are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

F. RESTRICTED ASSETS

Restricted assets in the general fund represent cash and cash equivalents (an intergovernmental receivable) 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. During the fiscal year, restricted assets totaled \$141,067.

G. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

H. INVENTORIES

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost (first in, first out) or market and consists of expendable supplies for resale. The costs of inventory items are recognized as expenditures in governmental fund types when purchased and expenses in the proprietary fund types when used.

TIFFIN CITY SCHOOL DISTRICT, OHIO
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. PREPAID ITEMS

Prepayments and deferrals for Governmental funds represent cash disbursements which have occurred and are therefore not current expendable resources. These items are reported as fund assets on the balance sheet using the allocation method, which amortizes their cost over the periods benefiting from the advance payment. At period-end, because prepayment and deferrals are not available to finance future Governmental fund expenditures, the fund balance is reserved by an amount equal to the carrying value of the asset.

J. FIXED ASSETS

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. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives 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 equipment in the proprietary fund types is computed using the straight-line method.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. No interest was capitalized during fiscal year 2000.

K. COMPENSATED ABSENCES

Compensated absences of the District consist of vacation leave and severance liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, *Accounting for Compensated Absences*, a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for severance is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees age fifty (50) or greater were considered expected to become eligible to retire in accordance with GASB 16.

TIFFIN CITY SCHOOL DISTRICT, OHIO
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The total liability for vacation and severance payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

Accumulated vacation and severance liability of Governmental Fund Type employees meeting the above requirements have been recorded in the appropriate Governmental fund as a current liability to the extent that the amounts are expected to be payable within the current available period. The balance of the liability is recorded in the General Long Term Obligations Account Group. Vacation and severance liability for employees meeting the above requirements who are paid from Proprietary funds is recorded as an expense when earned.

L. LONG-TERM OBLIGATIONS

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

M. FUND EQUITY

Reserved fund balances indicate that portion of fund equity which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, prepaid items, taxes unappropriated, scholarship, and budget stabilization. The unreserved portions of fund equity reflected for the Governmental funds are available for use within the specific purposes of those funds.

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

N. INTERGOVERNMENTAL REVENUES

In Governmental Funds, entitlements and non-reimbursable grants (to the extent such grants and entitlements relate to the current fiscal year) are recorded as receivables and revenue when measurable and available. Reimbursement-type grants are recorded as receivables and revenues when the related expenditures are incurred. Grants for Proprietary Fund operations are recognized as revenue when measurable and earned. The District currently participates in various state and federal programs categorized as follows:

TIFFIN CITY SCHOOL DISTRICT, OHIO
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Entitlements:

General Fund

State Foundation Program
State Property Tax Relief

Debt Service Fund

State Property Tax Relief

Non-Reimbursable Grants:

Special Revenue Funds

Eisenhower Professional Development
Title VI-B – Education of all Handicapped
Title I – Educationally Deprived Children
Title VI – Innovative Education Program
Safe and Drug-Free Schools and Communities
School to Work
Technology Literacy Challenge – Raising the Bar
Educational Management Information Systems
Ohio Reads
Alternative Schools
School Improvement Incentives

Capital Project Funds

School Net
Ohio School Net Ameritech
Emergency School Repairs
Ohio Power Up

Reimbursable Grants:

Proprietary Funds

National School Lunch Program
National School Breakfast Program
Government Donated Commodities

TIFFIN CITY SCHOOL DISTRICT, OHIO
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. INTERFUND TRANSACTIONS

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

P. STATEMENT OF CASH FLOWS

In September 1989, the Governmental Accounting Standards Board (GASB) issued Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*. The District has presented a statement of cash flows for its Enterprise, Internal Service, and Nonexpendable Trust funds. For purposes of the statement of cash flows, the District considers cash equivalents to include all short term investments (maturity of 90 days or less from date of purchase).

Q. FINANCIAL REPORTING FOR PROPRIETARY FUND TYPE

The District's financial statements have been prepared in accordance with Governmental Accounting Standards Board (GASB) Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*. This Statement is effective for financial statements beginning after December 15, 1993. The District accounts for its proprietary activities in accordance with all applicable GASB pronouncements, as well as pronouncements of the Financial Accounting Standards Board (FASB) and its predecessors issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

R. MEMORANDUM ONLY - TOTAL COLUMNS

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 changes in financial position 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.

TIFFIN CITY SCHOOL DISTRICT, OHIO
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

NOTE 2 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS

The District maintains a cash and cash equivalent pool used by all funds except those reserved for catastrophic claims, which are maintained by a fiscal agent. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Investments." State statutes require the classification of monies held by the District into three categories:

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

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

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 saving accounts, including passbook accounts.

Protection of the 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 money deposited with the institution.

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

1. United States Treasury bills, bonds, notes or any other obligation or security issued by the United State Treasury or any other obligation guaranteed as to principle and interest by the United States;
2. Bonds, notes, debentures, or other obligations of 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 the Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements for a period not to exceed thirty days in securities listed above that mature within five years from the date of purchased;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in (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 mentioned in section 135.03 of the Ohio Revised Code;

TIFFIN CITY SCHOOL DISTRICT, OHIO
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

NOTE 2 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS (Continued)

6. The State Treasurer's Investment pool.

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 investments must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash on Hand: At year end, the District has \$3,107 in undeposited cash on hand which is included on the balance sheet of the District as part of "Equity in Pooled Cash and Cash Equivalents."

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

Deposits: At year-end, the carrying amount of the School's deposits and cash on hand was \$1,425,700 and the bank balance was \$1,892,389. Of the bank balance:

1. \$300,000 was covered by federal depository insurance; and
2. \$1,592,389 was uninsured and uncollateralized. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

TIFFIN CITY SCHOOL DISTRICT, OHIO
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

NOTE 2 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS (Continued)

The School's investments are categorized to give an indication of the level of risk assumed by the entity at year-end.

		Carrying Amount	Amount at Fair Value
North Central Insurance Trust	Not Categorized	\$562,705	\$562,705
Repurchase Agreement	Category 3	1,633,000	1,633,000
Securities Held	Category 1	<u>1,383</u>	<u>1,383</u>
 Total Investments		 <u><u>\$2,197,088</u></u>	 <u><u>\$2,197,088</u></u>

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

A reconciliation between the classifications of cash and cash equivalent, and investments on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/ Deposits	Investments
GASB Statement No. 3	<u>\$1,425,700</u>	<u>\$2,197,088</u>
Cash on Hand	3,107	
Investments:		
Repurchase Agreement	1,633,000	(1,633,000)
North Central Insurance Trust	562,705	(562,705)
Security Held	<u>1,383</u>	<u>(1,383)</u>
GASB Statement No. 9	<u><u>\$3,625,895</u></u>	<u><u>\$0</u></u>

TIFFIN CITY SCHOOL DISTRICT, OHIO
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

NOTE 3 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the District. Real property taxes are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at 35% of appraised market value. Real property taxes are collected in and intended to finance the year following the year in which they are levied.

Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 50% of cost). Tangible personal property taxes attach as a lien and are levied January 1 of the current year, the same year in which collections are made. Tangible personal property assessments are 25% of true value.

The assessed value upon which the 1999 taxes were collected totaled \$345,197,646 of which real and public utility property represented 78% (\$269,449,210) of the total and tangible personal property represented 22% (\$75,748,436). The full tax rate for all District operations applied to real property for fiscal year ended June 30, 2000 was \$44.80 per \$1,000 of assessed valuation.

After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$22.074 per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$33.357 per \$1,000 of assessed valuation for all other real property. Real property owners' tax bills are further reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the District by the State of Ohio.

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

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or 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.

Accrued property taxes receivable represent delinquent taxes outstanding and real, tangible personal, and public utility taxes which were measurable as of June 30, 2000. Total property tax collections for the next fiscal year are measurable and amounts received during the available period (90% of amount held by county auditor at June 30, 2000) were recognized as revenue June 30 and are intended to finance 1999/2000 operations. Any taxes received after June 30, 2000 were not considered to be available to finance 1999/2000 operations and were therefore offset by a credit to deferred revenue. Deferred revenue consists of real estate taxes for the last half of assessed taxes for calendar year 1999 and assessed taxes of calendar year 2000.

TIFFIN CITY SCHOOL DISTRICT, OHIO
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

NOTE 4 – RECEIVABLES

Receivables at June 30, 2000, consisted of taxes, interest, accounts (billings for user charged services), and intergovernmental receivables arising from grants, entitlement and shared revenues. All receivables are considered collectable in full. A summary of the principal items of receivables follows:

Receivables	Amount
General Fund	
Taxes - Current	\$8,956,000
Taxes - Delinquent	241,256
Total Taxes	\$9,197,256
Accounts Receivable	\$5,570
Intergovernmental Receivable	\$6,935
Accrued Interest	\$2,908
Special Revenue Fund	
Intergovernmental Receivable	\$52,631
Capital Project Fund	
Taxes - Current	\$222,000
Taxes - Delinquent	6,186
Total Taxes	\$228,186

TIFFIN CITY SCHOOL DISTRICT, OHIO
 NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2000

NOTE 5 - FIXED ASSETS

The following is a summary of changes in the general fixed assets account group during the fiscal year:

	Balance 7/1/1999	Additions	Retirements	Balance 6/30/2000
Land	\$1,146,141	\$85,015		\$1,231,156
Buildings	5,471,041	2,725,482		8,196,523
Improvements other than Buildings	1,234,100	34,183		1,268,283
Equipment	3,742,051	402,145		4,144,196
Vehicles	1,002,443	64,712		1,067,155
Construction in Progress	<u>350,059</u>	<u>182,119</u>	<u>\$350,059</u>	<u>182,119</u>
 Total	 <u>\$12,945,835</u>	 <u>\$3,493,656</u>	 <u>\$350,059</u>	 <u>\$16,089,432</u>

Retirements include assets retired during the year and adjustments made to fixed asset due to prior years' overstatement.

The following is a summary of proprietary fund-type fixed assets at June 30, 2000:

	Enterprise Funds
Equipment	\$345,691
Less: Accumulated Depreciation	<u>301,438</u>
 Net Fixed Assets	 <u>\$44,253</u>

In proprietary funds, equipment is depreciated over useful lives of 10 years. Depreciation for the fiscal year 2000 is \$27,570.

TIFFIN CITY SCHOOL DISTRICT, OHIO
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

NOTE 6 - LONG-TERM OBLIGATIONS

Long-term obligations of the District as of June 30, 2000 were as follows:

General Long-Term Account Group:	Balance 7/1/1999	Additions	Deductions	Balance 6/30/2000
Energy Conserv. Improve. Note 5.25%; Matures 7/15/2014		\$ 1,200,000	\$26,669	\$1,173,331
Various Purpose Bonds 4.78%; Matures 6/1/2004		175,000	28,658	146,342
Energy Savings Note 7.60%; Matures 12/1/2000	\$102,546		102,546	0
Computer Note 4.85%; Matures 8/21/99	4,673		4,673	0
Tractor Note 5.70%; Matures 2/20/2003	19,500		19,500	0
Accrued Wages & Benefits	55,000	\$35,000	55,000	35,000
Intergovernmental Payables	445,631	384,045	445,631	384,045
Compensated Absences	867,212	871,483	867,212	871,483
	<u>\$1,494,562</u>	<u>\$ 2,665,528</u>	<u>\$ 1,549,889</u>	<u>\$ 2,610,201</u>

The Energy Savings Note is for boiler replacement and the Computer and Tractor Notes are for purchases of equipment. The Energy Conservation Improvements Note is for the purpose of paying cost of installations, modifications, and remodeling of school buildings to conserve energy. The Various Purpose Bonds are issued to pay a portion of the cost of acquiring and installing a modular classroom building and other uses.

All general obligation notes are direct obligations of the District for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property in the district. The accrued vacation and sick leave benefits recorded above represent the noncurrent portion of the liability. The current portion has been recorded in the appropriate fund types.

TIFFIN CITY SCHOOL DISTRICT, OHIO
 NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2000

NOTE 6 - LONG-TERM OBLIGATIONS (Continued)

Future annual principal requirements for the repayment of notes outstanding at June 30, 2000 is as follows:

Fiscal Year <u>Ending June 30,</u>	<u>General Obligation Notes</u>
2001	\$156,984
2002	157,018
2003	157,052
2004	157,090
2005 and there after	<u>1,225,610</u>
Total	1,853,754
Less: Amount Representing Interest	<u>534,081</u>
TOTAL	<u><u>\$1,319,673</u></u>

NOTE 7 - OPERATING LEASE AGREEMENTS

Tiffin City School District has entered into operating lease agreements for modular classrooms, copiers, land, and a truck. These agreements are, in substance, rental agreements (operating leases), and are classified as operating lease rental payments in the financial statements. The following summarizes future minimum lease payments under the operating leases at June 30, 2000:

Fiscal Year <u>Ending June 30,</u>	<u>Payments</u>
2001	\$93,677
2002	81,213
2003	53,885
2004	45,232
2005 and thereafter	<u>14,832</u>
TOTAL	<u><u>\$288,839</u></u>

TIFFIN CITY SCHOOL DISTRICT, OHIO
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

NOTE 8 - BUDGETARY BASIS OF ACCOUNTING

Adjustments necessary to convert the results of operations at the end of the fiscal year on the Budget Basis to the GAAP basis are as follows:

	Excess of Revenues and Other Sources Over (Under) Expenditures/Expenses and Other Financing Uses			
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trusts</u>
Budget Basis	(\$1,112,137)	(\$252,789)	\$1,180,742	\$113
Adjustments:				
Revenue Accruals	(219,983)	13,275	(5,800)	
Expenditure Accruals	(82,956)	(50,665)	160,692	
Encumbrances	<u>54,185</u>	<u>265,577</u>	<u>748</u>	<u> </u>
GAAP Basis	<u><u>(\$1,360,891)</u></u>	<u><u>(\$24,602)</u></u>	<u><u>\$1,336,382</u></u>	<u><u>\$113</u></u>

NOTE 9 - SEGMENT INFORMATION - ENTERPRISE

The government maintains two enterprise funds which are intended to be self-supporting through user fees charged for services to the students. Financial segment information as of and for the fiscal year ended June 30, 2000 is presented below:

	<u>Food Service</u>	<u>Uniform Supplies</u>	<u>Total</u>
Operating Revenues	\$449,412	\$73,256	\$522,668
Depreciation Expense	27,570		27,570
Operating Loss	(303,417)	5,440	(297,977)
Operating Grants	228,944		228,944
Operating Transfers Out	(41,031)		(41,031)
Net Income (Loss)	(41,821)	5,440	(36,381)
Current Capital Contributions/Transfers	(2,865)		(2,865)
Fixed Asset Additions	5,881		5,881
Fixed Asset Deletions			
Net Working Capital	(50,340)	5,440	(44,900)
Total Assets	114,178	5,440	119,618
Total Equity (Deficit)	(6,087)	5,440	(647)

TIFFIN CITY SCHOOL DISTRICT, OHIO
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

NOTE 10 - COMPENSATED ABSENCES

A. VACATION

Employees earn vacation at rates specified under State of Ohio Law and based on credited service. Full-time/administrative employees with one or more years of service are entitled to vacation ranging from 5 to 20 days. Custodial employees who are not full-time employees will earn vacation days with pay based on the number of hours worked in a given year. Employees are permitted to carry over 10 unused vacation days in the current year into the next year not to exceed 30 days.

B. SICK LEAVE

All full-time employees are entitled to 15 days sick leave with pay for each year under contract and accrue sick leave at the rate of one and one-fourth (1 1/4) days for each calendar month under contract. Sick leave is cumulative to 250 days for certified employees and 235 days for non-certified employees.

C. SERVICE RETIREMENT

Certified Employees are eligible for service retirement pay after the Board of Education accepts the employee's resignation. Service retirement pay is the certified employee's accrued but unused sick leave days at the time of retirement based on 25% of accumulative sick leave to a maximum of 62.5 days.

Non-Certified Employees are eligible for service retirement pay after the Board of Education accepts the employee's resignation. Service retirement pay is the certified employee's accrued but unused sick leave days at the time of retirement based on 25% of accumulative sick leave to a maximum of 58.75 days.

At June 30, 2000, the current amount of unpaid compensated absences, in all funds except for the Proprietary Fund, and the balance of the liability in the General Long-Term Obligations Account Group were \$55,024 and \$871,483, respectively. The liability for compensated absences in the Proprietary Funds at June 30, 2000 was \$25,534.

D. PERSONAL AND SICK LEAVE AND RETIREMENT INCENTIVES

A full-time employee achieving 100% perfect attendance for a full 185-day-contract year will receive \$300 at the last pay in June. The compensation for part-time employees will be pro-rated.

Teachers eligible to retire during a school year who give the District notice by April 1 of their intent to retire and who actually retire prior to the start of the next school year (July 1) will receive a \$5,000 retirement stipend. A severance bonus of an additional 5% of the value of accumulated but unused sick leave days is also awarded to retiring teacher with at least 10 years of service to the District. The stipend will be paid in January of the school year following retirement and the bonus will be included in the regular severance payment.

At June 30, 2000, accrued wages and benefits, including retirement incentives, in the General Fund and the Special Revenue Fund were \$1,516,450 and \$117,984, respectively.

TIFFIN CITY SCHOOL DISTRICT, OHIO
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

NOTE 11 - PENSION AND RETIREMENT PLANS

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM

The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to SERS, 45 North Fourth Street, Columbus, Ohio 43215 or by calling (614) 222-5853.

Plan members are required to contribute 9% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14% of covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts by the SERS' Retirement Board. The District's contributions to SERS for the years ended June 30, 2000, 1999 and 1998 were \$303,818, \$396,250, and \$357,699, respectively; 17% has been contributed for fiscal year 2000, and 100% for fiscal years 1999 and 1998. The unpaid contribution for fiscal year 2000, in the amount of \$303,459, is recorded as a liability within the respective funds and the General Long-Term Obligations Account Group.

B. STATE TEACHERS RETIREMENT SYSTEM

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing, multiple-employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly-available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771 or by calling (614) 227-4090.

Plan members are required to contribute 9.3% of their annual covered salary and the District is required to contribute 14%. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's contributions to STRS for the fiscal years ending June 30, 2000, 1999 and 1998 were \$1,613,109, \$1,394,440, and \$1,334,836, respectively; 85% has been contributed for fiscal year 2000 and 100% for fiscal years 1999 and 1998. The unpaid contribution for fiscal year 2000, in the amount of \$246,216 is recorded as a liability within the respective funds and the General Long-Term Obligations Account Group.

C. SOCIAL SECURITY TAX

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, the School Employees Retirement System or the State Teachers Retirement System. As of June 30, 2000, the five Board of Education members have elected Social Security. The Board's liability is 6.20% of wages paid.

TIFFIN CITY SCHOOL DISTRICT, OHIO
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

NOTE 12 - POSTEMPLOYMENT BENEFITS

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM

The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989 with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based upon years of service up to a maximum of 75% of the premium.

After the allocation for basic benefits, the remainder of the employer's 14% contribution is allocated to providing health care benefits. At June 30, 2000, the allocation rate is 6.30%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal 2000, the minimum pay had been established as \$12,400. The surcharge, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund.

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 1999 were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, the Retirement System's net assets available for payment of health care benefits were \$188.0 million. The number of participants currently receiving health care benefits is approximately 51,000.

B. STATE TEACHERS RETIREMENT SYSTEM

STRS provides comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physician fees, prescription drugs, and reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Revised Code (RC), the State Teachers Retirement Board (the Board) has discretionary 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.

The RC grants authority to STRS to provide health care coverage to benefit recipients, spouses, and dependents. By Ohio law, the cost of the coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll.

The Board currently allocates employer contributions equal to 2% of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. The balance in the Health Care Reserve Fund was \$2,783 million at June 30, 1999. The Health Care Reserve Fund allocation for the year ended June 30, 2000 will be 8% of covered payroll.

For the year ended June 30, 1999, the net health care costs paid by STRS were \$249,929,000. There were 91,999 eligible benefit recipients.

TIFFIN CITY SCHOOL DISTRICT, OHIO
 NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2000

NOTE 13 - INTERFUND TRANSACTIONS

At June 30, 2000, the interfund transactions were as follow:

	Transfers	
	In	Out
General Fund	\$ 60,766	\$ 223,753
Captial Projects Fund		19,735
Enterprise Fund		41,031
Debt Service Fund	223,753	
Total of all Funds	\$284,519	\$284,519

NOTE 14 - RISK MANAGEMENT

A. Employees Health Care

The District is a member of the North Central Ohio Joint Self-Insurance Association (Association), which was established pursuant to ORC 9.833(c) in order to act as a common risk management and insurance program. The Association is a public entity risk pool consisting of the District, and any board of education or other political subdivision within the State of Ohio with approval of the Association's Board of Directors (Board). The Board is comprised of one member from each participating board of education or other political subdivision.

The Board oversees and manages the operation of the Association and the Health Benefits Program. The fiscal agent, who is appointed by the Board, maintains the Program Fund. The District is to comply with all applicable laws, including ORC 9.833, with respect to the reservation of funds necessary for any individual or joint self-insurance arrangement included in the Program.

TIFFIN CITY SCHOOL DISTRICT, OHIO
 NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2000

NOTE 14 - RISK MANAGEMENT (Continued)

B. Comprehensive

The District maintains comprehensive insurance coverage with a private carrier for real property, building contents, vehicles, and general liability. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are fully registered. The District has entered into contracts with various insurance agencies for the following amounts of coverage and deductibles:

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
Educational Liability Policy	\$2,000,000	Each occurrence
	5,000,000	Aggregate
	100,000	Fire damage
	5,000	Medical payments
Vehicle Policy	1,000,000	Bodily injury
	1,000,000	Property Damage
	5,000	Medical payments
	1,000,000	Uninsured Motorist
Building and Contents	38,983,997	1,000
Electronic Data Processing Equip.	800,000	500/1,000
Musical Instruments	300,000	500
Blanket Bond	10,000	Per Individual
Treasurer's Bond	20,000	
Commercial Crime	3,000	Theft, Outside Premises
	5,000	Robbery, Inside Premises
	5,000	Robbery, Outside Premises

Settled claims have not exceeded commercial insurance coverage in the current year or any of the past three fiscal years.

C. OSBA Worker's Compensation Group Rating Program

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

TIFFIN CITY SCHOOL DISTRICT, OHIO
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

NOTE 14 - RISK MANAGEMENT (Continued)

The intent of the GRP is to achieve the benefit of a reduced premium for the 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 of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP.

NOTE 15 - RESERVE FOR CATASTROPHIC CLAIMS

The Internal Service Fund includes the financial activity of the District's former self-insurance fund. On May 1, 1997 the North Central Joint Insurance Trust (the Association) changed the form of the insurance pool by not identifying risk with individual members and began pooling risk. The District paid five monthly premiums to the Association and has agreed to use the balance in the fund as a Reserved for Catastrophic Claims. At June 30 the "Reserved for Catastrophic Claims" totaled \$562,705 which includes interest earned. Currently, health premiums are being paid from individual operating funds.

NOTE 16 - JOINTLY GOVERNED ORGANIZATION

Northern Ohio Educational Computer Association - The Northern Ohio Educational Computer Association (NOECA) is a jointly governed organization among thirty-eight area school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions among member school districts and service Districts. Each of the governments of these schools supports NOECA based upon a per pupil charge dependent upon the software package utilized. The NOECA assembly consists of a superintendent from each participating District and a representative from the fiscal agent. NOECA is governed by a Board of Directors chosen from the general membership of the NOECA Assembly. The Board of Directors consists of a representative from the fiscal agent, the chairman of each of the operating committees, and two assembly members from each county in which participating service centers are located. Each district's authority is limited to its representation on the Board. Financial information can be obtained by contracting Betty Schwiefert, who serves as controller, at 2900 South Columbus Avenue, Sandusky, Ohio 44870.

TIFFIN CITY SCHOOL DISTRICT, OHIO
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

NOTE 17 - CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although management expects such amounts, if any, to be immaterial.

The District's attorney and management are aware of no other litigation.

NOTE 18 - STATUTORY RESERVES

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2000, the reserve activity was as follows:

	<u>Textbooks Reserve</u>	<u>Capital Maintenance Reserve</u>	<u>Budget Stabilization Reserve</u>	<u>Total</u>
Balance July 1, 1999			\$268,468	\$268,468
Required Set-Aside	\$440,315	\$440,315		880,630
Offset Credits				0
Qualifying Expenditures	<u>(567,716)</u>	<u>(1,387,514)</u>		<u>(1,955,230)</u>
Total	<u>(\$127,401)</u>	<u>(\$947,199)</u>	<u>\$268,468</u>	<u>(\$806,132)</u>
 Cash Balance Carried Forward to Fiscal Year 2000	 <u>(\$127,401)</u>	 <u>\$0</u>	 <u>\$268,468</u>	 <u>\$141,067</u>

Starting with the fiscal year ending June 30, 2000, expenditures in excess of current year or accumulated set-aside requirements in the textbooks and capital maintenance set-asides may be carried forward to offset future years' set-aside requirements. Actual cash balances in excess of required set-asides may also be carried forward to offset future year(s) set-aside requirements.

TIFFIN CITY SCHOOL DISTRICT, OHIO
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

NOTE 19 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Fund balances/retained earnings at June 30, 2000 included the following individual fund deficits:

	<u>Deficit Balance</u>
General Fund	\$(338,221)
Enterprise Fund	
Food Service Fund	\$(647)

Due to recognition of liabilities in accordance with generally accepted accounting principles, the amounts do not represent cash deficits, and the District has the option of transferring monies to the funds from General Fund should the need arise.

NOTE 20 - SCHOOL FUNDING DECISION

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program," which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$8,285,499 of school foundation support for its general fund.

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

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

TIFFIN CITY SCHOOL DISTRICT, OHIO
 NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2000

NOTE 20 - SCHOOL FUNDING DECISION (Continued)

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.

NOTE 21 - PRIOR PERIOD ADJUSTMENTS

The following discloses the restatements of fund balances of the General Fund and Special Revenue Fund and retained earnings of the Enterprise Fund as of the beginning of the fiscal year:

	<u>General Fund</u>	<u>Special Revenue</u>
Fund Balance, Beginning of Year, as Previously Stated	\$958,660	\$429,862
Increase due to		
Overstatement of Payroll Expenditures in Fiscal Year 1999	<u>64,010</u>	<u>19,882</u>
Fund Balance, Beginning of Year, as Restated	<u>\$1,022,670</u>	<u>\$449,744</u>
		<u>Enterprise Fund</u>
Retained Earnings, Beginning of Year, as Previously Stated		\$(24,760)
Prior Period Adjustment		
Overstatement of Payroll Expenditures in Fiscal Year 1999		<u>31,842</u>
Retained Earnings, Beginning of Year, as Restated		<u>\$7,082</u>

TIFFIN CITY SCHOOL DISTRICT, OHIO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2000

A. FINDINGS – AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS

NONCOMPLIANCE

STATUS

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| 99-1. Section 5705.39, Ohio Rev. Code
Appropriations from each fund shall
not exceed the estimated revenue available
for expenditure. | Condition still exists.
See Schedule of Findings. |
| 99-2. Section 5705.41 (B), Ohio Rev. Code
Expenditures shall not exceed appropriations. | Condition still exists.
See Schedule of Findings. |

REPORTABLE CONDITIONS

None

B. FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

- | | |
|-------------------------------------------------------------------------------------|----------------------|
| 99-3. Reports to Ohio School to Work were not
filed on a timely basis. | Condition corrected. |
| 99-4. Technology Literacy Challenge (TLC) funds
expended after available period. | Condition corrected. |
| 99-5. Reports to TLC were not filed on a timely
basis. | Condition corrected. |



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Education
Tiffin City School District, Ohio

We have audited the general-purpose financial statements of Tiffin City School District, Ohio (the District) as of and for the year ended June 30, 2000, and have issued our report thereon dated October 20, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as items 00-1 to 00-2. Also, we noted certain immaterial instances of noncompliance that we have reported to management of Tiffin City School District in a separate letter dated October 20, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Tiffin City School District, Ohio, in a separate letter dated October 20, 2000.

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

Pry CPA Services, Inc.

Findlay, Ohio
October 20, 2000



INDEPENDENT AUDITOR'S 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
Tiffin City School District, Ohio

Compliance

We have audited the compliance of Tiffin City School District, Ohio (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2000. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Tiffin City School District, Ohio's management. Our responsibility is to express an opinion on Tiffin City School District, Ohio's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 Tiffin City School District, Ohio's compliance with those requirements.

In our opinion, Tiffin City School District, Ohio 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, 2000.

Internal Control Over Compliance

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

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

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

Pry CPA Services, Inc.

Findlay, Ohio
October 20, 2000

TIFFIN CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF FEDERAL AWARD EXPENDITURES (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2000

FEDERAL GRANTOR Pass-through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
UNITED STATES DEPARTMENT OF EDUCATION Passed through Ohio Department of Education:						
Title I - Educationally Deprived Children	044891 C1-S1 99	84.010	\$20,354		\$82,808	
	044891 C1-S1 00		350,819		347,609	
	044891 C1-SD 00		6,448		6,448	
Total Title 1			377,621	\$0	436,865	\$0
Title VI-B - Education of all Handicapped	044891 6B-SF 99	84.027	256,162		261,844	
Safe and Drug-Free Schools and Communities	044891 DR-S1 00	84.186	17,396		15,785	
Eisenhower Professional Development	044891 MS-S1 97	84.281	(16)		(16)	
	044891 MS-S1 00		4,163		12,850	
Total Eisenhower Professional Development			4,147	0	12,834	0
Title VI - Innovative Education Program	044891 C2-S1 99	84.298	3,069		3,069	
	044891 C2-S1 00		17,371		15,074	
Total Title VI			20,440	0	18,143	0
Technology Literacy Challenge - Raising the Bar	044891 TF-24 99	84.318	37,500		37,500	
	044891 TF-25 99		25,000		10,772	
Total Technology Literacy Challenge - Raising the Bar			62,500	0	48,272	0
Class Size Reduction	044891 CR-S1 00	84.276	74,419		70,582	
Total United States Department of Education			812,685	0	864,325	0
UNITED STATES DEPARTMENT OF LABOR Passed through State Department of Education:						
School-to-Work	044891 WK-BE 98	17.249	2,257		2,257	
	044891 WK-BE 99		79,489		74,447	
Total School-to-Work			81,746	0	76,704	0
Total United States Department of Labor			81,746	0	76,704	0
UNITED STATES DEPARTMENT OF AGRICULTURE Passed through State Department of Education:						
Nutrition Cluster:						
Food Distribution Program (A)	N/A	10.550		81,450		81,450
School Breakfast Program (B)	044891 05-PU 99	10.553	7,234		7,234	
	044891 05-PU 00		15,313		14,043	
Total School Breakfast Program			22,547	0	21,277	0
National School Lunch Program (B)	044891 03-PU 99	10.555	18,157		18,157	
	044891 03-PU 00		45,946		45,946	
	044891 04-PU 99		58,360		58,360	
	044891 04-PU 00		142,579		142,579	
Total National School Lunch Program			265,042	0	265,042	0
Total United State Department of Agriculture			287,589	81,450	286,319	81,450
TOTAL FEDERAL FINANCIAL ASSISTANCE PROGRAMS			\$1,182,020	\$81,450	\$1,227,348	\$81,450

(A) Commodities were valued at fair-market value.

(B) Federal Funds were commingled with state subsidy and revenues. Assumed that revenue received was disbursed on a first-in, first-out basis.

TIFFIN CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF FINDINGS
JUNE 30, 2000

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general-purpose financial statements of Tiffin City School District, Ohio.
2. No reportable conditions relating to the audit of the financial statements are reported in Part B of this Schedule.
3. Two instances of noncompliance material to the general-purpose financial statements are reported in Part B of this Schedule.
4. No reportable conditions relating to the audit of the major federal award programs are reported in Part C of this Schedule.
5. The auditor's report on compliance for the major federal award programs for Tiffin City School District, Ohio expresses an unqualified opinion.
6. No instances of audit findings relating to the major federal award programs for Tiffin City School District, Ohio were found.
7. The programs tested as a major program was Title I – Educationally Deprived Children Fund, CFDA No. 84.010.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Tiffin City School District, Ohio was determined to be a low-risk auditee.

B. FINDINGS – AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS

NONCOMPLIANCE

- 00-1. Ohio Rev. Code Section 5705.39 states that total appropriation from each fund should not exceed the total estimated revenue. It was noted that appropriations exceeded total estimated revenue for the Venture Capital fund, Auxiliary Services fund, Education Management Information System fund, Instructional Materials fund, Ohio School to Work Grant fund, Dwight D. Eisenhower Professional Development Grant fund, Title VI-B – Education of all Handicapped fund, Title I – Educationally Deprived Children fund, School to Work fund, Tiffin City Schools Stadium Project fund, and Ohio Power Up fund.
- 00-2. Ohio Rev. Code Section 5705.41 (B) states that total expenditures from each fund should not exceed total appropriations for that fund. It was noted that expenditures exceeded appropriations for the Auxiliary Services fund, Ohio Reads Grant fund, Chapter 2 fund, and Uniform School Supplies fund.

TIFFIN CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF FINDINGS
JUNE 30, 2000

B. FINDINGS – AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

REPORTABLE CONDITIONS

NONE

C. FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

TIFFIN CITY SCHOOL DISTRICT, OHIO
CONCLUSION STATEMENT

The audit report, including citations and recommendations, was reviewed with and acknowledged by the following officials on January 5, 2001.

Fred Barba
Dawn Iannantuono
Denise Callihan

They were informed that officials had five working days from the date of the post-audit conference to respond to, or contest, in writing, the report contents.

No written response received.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

TIFFIN CITY SCHOOL DISTRICT

SENECA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 8, 2001**