



**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Tri-Rivers Joint Vocational School District
Marion County
2222 Marion-Mt. Gilead Road
Marion, Ohio 43202

To the Board of Education:

We have audited the accompanying general purpose financial statements of the Tri-Rivers Joint Vocational School District, Marion County, Ohio, (the District) as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2001 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 of the District, taken as a whole. The accompanying schedule of federal awards receipts and expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

JIM PETRO
Auditor of State

January 31, 2001

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
<u>Assets and Other Debits:</u>									
<u>Assets:</u>									
Equity in Pooled Cash and Cash Equivalents	\$1,144,059	\$70,231	\$61,336	\$150,327	\$31,143	\$357,542	\$0	\$0	\$1,814,638
Receivables:									
Property Taxes	4,057,132	0	0	0	0	0	0	0	4,057,132
Accounts	2,516	0	0	18,867	0	0	0	0	21,383
Intergovernmental	29,150	559	0	52,799	0	0	0	0	82,508
Accrued Interest	4,808	0	0	0	0	0	0	0	4,808
Interfund	102,771	0	0	0	0	0	0	0	102,771
Notes	0	0	0	0	0	1,832	0	0	1,832
Due from Other Funds	218	0	0	0	0	0	0	0	218
Prepaid Items	15,248	0	0	65	0	0	0	0	15,313
Inventory Held for Resale	0	0	0	510	0	0	0	0	510
Materials and Supplies Inventory	66,290	0	0	0	0	0	0	0	66,290
Restricted Assets:									
Equity in Pooled Cash and Cash Equivalents	131,199	0	0	0	0	0	0	0	131,199
Advances to Other Funds	3,352	0	0	0	0	0	0	0	3,352
Fixed Assets (net of accumulated depreciation)	0	0	0	93,425	2,267	0	5,191,145	0	5,286,837
<u>Other Debits:</u>									
Amount to be Provided from General Governmental Resources	0	0	0	0	0	0	0	1,485,142	1,485,142
Total Assets and Other Debits	\$5,556,743	\$70,790	\$61,336	\$315,993	\$33,410	\$359,374	\$5,191,145	\$1,485,142	\$13,073,933

(Continued)

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
<u>Liabilities, Fund Equity, and Other Credits:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$62,998	\$1,194	\$0
Accrued Wages and Benefits	613,282	3,278	0
Compensated Absences Payable	3,186	0	0
Contracts Payable	158,823	0	0
Intergovernmental Payable	110,111	1,665	0
Interfund Payable	0	58,881	0
Due to Other Funds	0	0	0
Deferred Revenue	3,185,009	0	0
Undistributed Assets	0	0	0
Due to Students	0	0	0
Claims Payable	0	0	0
Advances from Other Funds	0	0	0
Capital Leases Payable	0	0	0
School Facilities Loan Payable	0	0	0
General Obligation Bonds Payable	0	0	0
Total Liabilities	4,133,409	65,018	0
<u>Fund Equity and Other Credits:</u>			
Investment in General Fixed Assets	0	0	0
Retained Earnings:			
Unreserved (Deficit)	0	0	0
Contributed Capital	0	0	0
Fund Balance:			
Reserved for Property Taxes	855,881	0	0
Reserved for Notes Receivable	0	0	0
Reserved for Inventory	66,290	0	0
Reserved for Budget Stabilization	131,199	0	0
Reserved for Advances	3,352	0	0
Reserved for Contributions	0	0	0
Reserved for External Pool Participants	0	0	0
Reserved for Encumbrances	66,443	22,400	47,898
Designated for Textbooks	221,423	0	0
Designated for Capital Improvements	274,497	0	0
Designated for Budget Stabilization	41,260	0	0
Unreserved, Undesignated (Deficit)	(237,011)	(16,628)	13,438
Total Fund Equity (Deficit) and Other Credits	1,423,334	5,772	61,336
Total Liabilities, Fund Equity, and Other Credits	\$5,556,743	\$70,790	\$61,336

See Accompanying Notes to the General Purpose Financial Statements

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$9,233	\$550	\$0	\$0	\$0	\$73,975
52,941	0	0	0	0	669,501
18,289	0	0	0	183,663	205,138
0	0	0	0	0	158,823
13,234	0	0	0	2,161	127,171
42,982	0	908	0	0	102,771
218	0	0	0	0	218
510	0	0	0	0	3,185,519
0	0	1,078	0	0	1,078
0	0	21,626	0	0	21,626
0	226,016	0	0	0	226,016
3,352	0	0	0	0	3,352
0	0	0	0	102,945	102,945
0	0	0	0	396,373	396,373
0	0	0	0	800,000	800,000
<u>140,759</u>	<u>226,566</u>	<u>23,612</u>	<u>0</u>	<u>1,485,142</u>	<u>6,074,506</u>
0	0	0	5,191,145	0	5,191,145
166,787	(193,156)	0	0	0	(26,369)
8,447	0	0	0	0	8,447
0	0	0	0	0	855,881
0	0	1,832	0	0	1,832
0	0	0	0	0	66,290
0	0	0	0	0	131,199
0	0	0	0	0	3,352
0	0	29,251	0	0	29,251
0	0	294,857	0	0	294,857
0	0	0	0	0	136,741
0	0	0	0	0	221,423
0	0	0	0	0	274,497
0	0	0	0	0	41,260
0	0	9,822	0	0	(230,379)
<u>175,234</u>	<u>(193,156)</u>	<u>335,762</u>	<u>5,191,145</u>	<u>0</u>	<u>6,999,427</u>
<u>\$315,993</u>	<u>\$33,410</u>	<u>\$359,374</u>	<u>\$5,191,145</u>	<u>\$1,485,142</u>	<u>\$13,073,933</u>

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

	<u>Governmental Fund Types</u>				<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
<u>Revenues:</u>						
Property Taxes	\$4,348,447	\$0	\$0	\$0	\$0	\$4,348,447
Intergovernmental	4,440,214	551,785	0	0	0	4,991,999
Interest	99,490	0	0	669	52	100,211
Rent	48,537	0	0	0	0	48,537
Extracurricular Activities	657	0	0	0	0	657
Gifts and Donations	1,480	6,303	0	0	1,456	9,239
Miscellaneous	496,684	19,564	0	0	0	516,248
Total Revenues	<u>9,435,509</u>	<u>577,652</u>	<u>0</u>	<u>669</u>	<u>1,508</u>	<u>10,015,338</u>
<u>Expenditures:</u>						
Current:						
Instruction:						
Regular	162,943	0	0	0	0	162,943
Vocational	4,243,489	135,840	0	0	0	4,379,329
Adult/Continuing	7,832	52,491	0	0	0	60,323
Support Services:						
Pupils	515,551	268,420	0	0	0	783,971
Instructional Staff	500,990	42,000	0	0	0	542,990
Board of Education	117,637	0	0	0	0	117,637
Administration	535,084	14,366	0	0	0	549,450
Fiscal	302,332	0	0	0	0	302,332
Business	200,944	0	0	0	0	200,944
Operation and Maintenance of Plant	782,015	0	0	0	0	782,015
Pupil Transportation	8,047	0	0	0	0	8,047
Central	563,021	67,939	0	0	0	630,960
Non-Instructional Services	15,439	0	0	0	0	15,439
Extracurricular Activities	36,629	0	0	0	0	36,629
Capital Outlay	774,357	0	0	414,237	0	1,188,594
Debt Service:						
Principal Retirement	141,615	0	60,000	0	0	201,615
Interest and Fiscal Charges	9,585	0	36,018	0	0	45,603
Total Expenditures	<u>8,917,510</u>	<u>581,056</u>	<u>96,018</u>	<u>414,237</u>	<u>0</u>	<u>10,008,821</u>
Excess of Revenues Over (Under) Expenditures	<u>517,999</u>	<u>(3,404)</u>	<u>(96,018)</u>	<u>(413,568)</u>	<u>1,508</u>	<u>6,517</u>
<u>Other Financing Sources (Uses):</u>						
Proceeds of Bonds	0	0	0	440,000	0	440,000
Operating Transfers In	0	0	96,018	10,990	0	107,008
Operating Transfers Out	(565,131)	0	0	0	0	(565,131)
Total Other Financing Sources (Uses)	<u>(565,131)</u>	<u>0</u>	<u>96,018</u>	<u>450,990</u>	<u>0</u>	<u>(18,123)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(47,132)</u>	<u>(3,404)</u>	<u>0</u>	<u>37,422</u>	<u>1,508</u>	<u>(11,606)</u>
Fund Balances at Beginning of Year	1,463,456	9,176	0	23,914	2,513	1,499,059
Increase in Reserve for Inventory	7,010	0	0	0	0	7,010
Fund Balances at End of Year	<u>\$1,423,334</u>	<u>\$5,772</u>	<u>\$0</u>	<u>\$61,336</u>	<u>\$4,021</u>	<u>\$1,494,463</u>

See Accompanying Notes to the General Purpose Financial Statements

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Property Taxes	\$3,934,408	\$3,935,786	\$1,378	\$0	\$0	\$0
Intergovernmental	4,440,214	4,440,214	0	644,499	631,299	(13,200)
Interest	97,050	94,683	(2,367)	0	0	0
Rent	19,800	20,215	415	0	0	0
Extracurricular Activities	660	657	(3)	0	0	0
Gifts and Donations	1,480	1,480	0	6,303	6,303	0
Miscellaneous	1,003,215	1,003,165	(50)	20,805	19,005	(1,800)
Total Revenues	9,496,827	9,496,200	(627)	671,607	656,607	(15,000)
Expenditures:						
Current:						
Instruction:						
Regular	160,489	160,489	0	0	0	0
Vocational	4,626,617	4,610,588	16,029	169,978	150,264	19,714
Adult/Continuing	9,769	9,769	0	54,564	54,564	0
Support Services:						
Pupils	538,857	525,820	13,037	288,134	288,134	0
Instructional Staff	510,241	500,883	9,358	44,233	44,233	0
Board of Education	141,588	141,265	323	0	0	0
Administration	543,273	539,072	4,201	14,314	14,314	0
Fiscal	303,733	302,607	1,126	0	0	0
Business	264,856	256,139	8,717	0	0	0
Operation and Maintenance of Plant	870,465	851,226	19,239	0	0	0
Pupil Transportation	8,271	8,047	224	0	0	0
Central	566,928	566,718	210	68,076	68,076	0
Non-Instructional Services	15,434	15,296	138	0	0	0
Extracurricular Activities	37,883	37,412	471	0	0	0
Capital Outlay	953,763	949,395	4,368	0	0	0
Debt Service:						
Principal Retirement	44,042	44,042	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
Total Expenditures	9,596,209	9,518,768	77,441	639,299	619,585	19,714
Excess of Revenues Over (Under) Expenditures	(99,382)	(22,568)	76,814	32,308	37,022	4,714
Other Financing Sources (Uses):						
Proceeds of Bonds	0	0	0	0	0	0
Refund of Prior Year Expenditures	17,691	17,691	0	0	0	0
Refund of Prior Year Receipts	(10,000)	(10,000)	0	0	0	0
Operating Transfers In	0	0	0	0	0	0
Operating Transfers Out	(565,131)	(565,131)	0	0	0	0
Advances In	324,170	324,170	0	58,881	58,881	0
Advances Out	(246,065)	(245,932)	133	(164,728)	(164,728)	0
Total Other Financing Sources (Uses)	(479,335)	(479,202)	133	(105,847)	(105,847)	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(578,717)	(501,770)	76,947	(73,539)	(68,825)	4,714
Fund Balances at Beginning of Year	122,535	122,535	0	67,801	67,801	0
Prior Year Encumbrances Appropriated	1,087,062	1,087,062	0	47,413	47,413	0
Fund Balances at End of Year	\$630,880	\$707,827	\$76,947	\$41,675	\$46,389	\$4,714

(Continued)

TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY

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

	Debt Service Fund			Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>						
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Intergovernmental	0	0	0	0	0	0
Interest	0	0	0	600	669	69
Rent	0	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0	0
Gifts and Donations	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>600</u>	<u>669</u>	<u>69</u>
<u>Expenditures:</u>						
Current:						
Instruction:						
Regular	0	0	0	0	0	0
Vocational	0	0	0	0	0	0
Adult/Continuing	0	0	0	0	0	0
Support Services:						
Pupils	0	0	0	0	0	0
Instructional Staff	0	0	0	0	0	0
Board of Education	0	0	0	0	0	0
Administration	0	0	0	0	0	0
Fiscal	0	0	0	0	0	0
Business	0	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	0	0
Pupil Transportation	0	0	0	0	0	0
Central	0	0	0	0	0	0
Non-Instructional Services	0	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0	0
Capital Outlay	0	0	0	462,135	462,135	0
Debt Service:						
Principal Retirement	60,000	60,000	0	0	0	0
Interest and Fiscal Charges	36,018	36,018	0	0	0	0
Total Expenditures	<u>96,018</u>	<u>96,018</u>	<u>0</u>	<u>462,135</u>	<u>462,135</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(96,018)</u>	<u>(96,018)</u>	<u>0</u>	<u>(461,535)</u>	<u>(461,466)</u>	<u>69</u>
<u>Other Financing Sources (Uses):</u>						
Proceeds of Bonds	0	0	0	440,000	440,000	0
Refund of Prior Year Expenditures	0	0	0	0	0	0
Refund of Prior Year Receipts	0	0	0	0	0	0
Operating Transfers In	96,018	96,018	0	10,990	10,990	0
Operating Transfers Out	0	0	0	0	0	0
Advances In	0	0	0	144,069	144,069	0
Advances Out	0	0	0	(144,069)	(144,069)	0
Total Other Financing Sources (Uses)	<u>96,018</u>	<u>96,018</u>	<u>0</u>	<u>450,990</u>	<u>450,990</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	0	0	(10,545)	(10,476)	69
Fund Balances at Beginning of Year	0	0	0	12,770	12,770	0
Prior Year Encumbrances Appropriated	0	0	0	11,144	11,144	0
Fund Balances at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$13,369</u>	<u>\$13,438</u>	<u>\$69</u>

See Accompanying Notes to the General Purpose Financial Statements

Expendable Trust Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$3,934,408	\$3,935,786	\$1,378
0	0	0	5,084,713	5,071,513	(13,200)
45	52	7	97,695	95,404	(2,291)
0	0	0	19,800	20,215	415
0	0	0	660	657	(3)
1,207	1,456	249	8,990	9,239	249
200	200	0	1,024,220	1,022,370	(1,850)
1,452	1,708	256	10,170,486	10,155,184	(15,302)
0	0	0	160,489	160,489	0
200	0	200	4,796,795	4,760,852	35,943
400	400	0	64,733	64,733	0
0	0	0	826,991	813,954	13,037
0	0	0	554,474	545,116	9,358
0	0	0	141,588	141,265	323
0	0	0	557,587	553,386	4,201
0	0	0	303,733	302,607	1,126
0	0	0	264,856	256,139	8,717
0	0	0	870,465	851,226	19,239
0	0	0	8,271	8,047	224
0	0	0	635,004	634,794	210
0	0	0	15,434	15,296	138
0	0	0	37,883	37,412	471
0	0	0	1,415,898	1,411,530	4,368
0	0	0	104,042	104,042	0
0	0	0	36,018	36,018	0
600	400	200	10,794,261	10,696,906	97,355
852	1,308	456	(623,775)	(541,722)	82,053
0	0	0	440,000	440,000	0
0	0	0	17,691	17,691	0
0	0	0	(10,000)	(10,000)	0
0	0	0	107,008	107,008	0
0	0	0	(565,131)	(565,131)	0
0	0	0	527,120	527,120	0
0	0	0	(554,862)	(554,729)	133
0	0	0	(38,174)	(38,041)	133
852	1,308	456	(661,949)	(579,763)	82,186
881	881	0	203,987	203,987	0
0	0	0	1,145,619	1,145,619	0
\$1,733	\$2,189	\$456	\$687,657	\$769,843	\$82,186

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**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY
ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS
JUNE 30, 2000**

	<u>Proprietary Fund Types</u>		<u>Fiduciary</u>	<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
	<u>Enterprise</u>	<u>Internal</u> <u>Service</u>	<u>Fund Type</u> <u>Non-Expendable</u> <u>Trust</u>	
<u>Operating Revenues:</u>				
Tuition	\$346,657	\$0	\$0	\$346,657
Sales	495,605	0	0	495,605
Charges for Services	0	1,273,057	0	1,273,057
Interest	0	0	2,007	2,007
Other Operating Revenues	15,040	35,605	0	50,645
Total Operating Revenues	<u>857,302</u>	<u>1,308,662</u>	<u>2,007</u>	<u>2,167,971</u>
<u>Operating Expenses:</u>				
Salaries	542,576	0	0	542,576
Fringe Benefits	232,967	0	0	232,967
Purchased Services	221,807	300,167	0	521,974
Materials and Supplies	176,131	0	0	176,131
Cost of Sales	95,875	0	0	95,875
Claims	0	1,395,538	0	1,395,538
Depreciation	16,000	252	0	16,252
Other Operating Expenses	6,741	226	950	7,917
Total Operating Expenses	<u>1,292,097</u>	<u>1,696,183</u>	<u>950</u>	<u>2,989,230</u>
Operating Income (Loss)	<u>(434,795)</u>	<u>(387,521)</u>	<u>1,057</u>	<u>(821,259)</u>
<u>Non-Operating Revenues (Expenses):</u>				
Interest	196	1,042	0	1,238
Federal Donated Commodities	3,162	0	0	3,162
Operating Grants	230,759	0	0	230,759
Loss on Disposal of Fixed Assets	(4,668)	0	0	(4,668)
Total Non-Operating Revenues (Expenses)	<u>229,449</u>	<u>1,042</u>	<u>0</u>	<u>230,491</u>
Income (Loss) Before Operating Transfers	(205,346)	(386,479)	1,057	(590,768)
Operating Transfers In	<u>119,123</u>	<u>339,000</u>	<u>0</u>	<u>458,123</u>
Net Income (Loss)	(86,223)	(47,479)	1,057	(132,645)
Retained Earnings(Deficit)/Fund Balance at Beginning of Year	<u>253,010</u>	<u>(145,677)</u>	<u>35,827</u>	<u>143,160</u>
Retained Earnings(Deficit)/Fund Balance at End of Year	<u>166,787</u>	<u>(193,156)</u>	<u>36,884</u>	<u>10,515</u>
Contributed Capital at Beginning of Year	983	0	0	983
Contributed from Other Funds	7,464	0	0	7,464
Contributed Capital at End of Year	<u>8,447</u>	<u>0</u>	<u>0</u>	<u>8,447</u>
Total Fund Equity (Deficit) at End of Year	<u>\$175,234</u>	<u>(\$193,156)</u>	<u>\$36,884</u>	<u>\$18,962</u>

See Accompanying Notes to the General Purpose Financial Statements

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

	Enterprise Funds			Internal Service Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>						
Tuition	\$321,860	\$326,390	\$4,530	\$0	\$0	\$0
Sales	488,918	491,922	3,004	0	0	0
Charges for Services	0	0	0	1,272,709	1,273,057	348
Interest	200	196	(4)	900	1,042	142
Operating Grants	253,519	239,344	(14,175)	0	0	0
Other Revenues	23,374	15,040	(8,334)	35,605	35,605	0
Total Revenues	1,087,871	1,072,892	(14,979)	1,309,214	1,309,704	490
<u>Expenses:</u>						
Salaries	538,018	524,593	13,425	0	0	0
Fringe Benefits	220,746	213,983	6,763	0	0	0
Purchased Services	242,615	237,595	5,020	300,793	300,167	626
Materials and Supplies	287,783	284,024	3,759	0	0	0
Capital Outlay	27,569	26,054	1,515	934	934	0
Claims	0	0	0	1,301,916	1,301,916	0
Other Expenses	9,690	7,950	1,740	0	0	0
Total Expenses	1,326,421	1,294,199	32,222	1,603,643	1,603,017	626
Excess of Revenues Over (Under) Expenses	(238,550)	(221,307)	17,243	(294,429)	(293,313)	1,116
Operating Transfers In	119,123	119,123	0	339,000	339,000	0
Advances In	42,982	42,982	0	0	0	0
Advances Out	(829)	(829)	0	(14,544)	(14,544)	0
Excess of Revenues Over (Under) Expenses, Transfers, and Advances	(77,274)	(60,031)	17,243	30,027	31,143	1,116
Fund Balances at Beginning of Year	137,332	137,332	0	0	0	0
Prior Year Encumbrances Appropriated	42,035	42,035	0	0	0	0
Fund Balances at End of Year	\$102,093	\$119,336	\$17,243	\$30,027	\$31,143	\$1,116

See Accompanying Notes to the General Purpose Financial Statements

<u>Non-Expendable Trust Funds</u>			<u>Totals (Memorandum Only)</u>		
<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$0	\$0	\$0	\$321,860	\$326,390	\$4,530
0	0	0	488,918	491,922	3,004
0	0	0	1,272,709	1,273,057	348
1,997	2,007	10	3,097	3,245	148
0	0	0	253,519	239,344	(14,175)
0	0	0	58,979	50,645	(8,334)
<u>1,997</u>	<u>2,007</u>	<u>10</u>	<u>2,399,082</u>	<u>2,384,603</u>	<u>(14,479)</u>
0	0	0	538,018	524,593	13,425
0	0	0	220,746	213,983	6,763
0	0	0	543,408	537,762	5,646
0	0	0	287,783	284,024	3,759
0	0	0	28,503	26,988	1,515
0	0	0	1,301,916	1,301,916	0
950	950	0	10,640	8,900	1,740
<u>950</u>	<u>950</u>	<u>0</u>	<u>2,931,014</u>	<u>2,898,166</u>	<u>32,848</u>
1,047	1,057	10	(531,932)	(513,563)	18,369
0	0	0	458,123	458,123	0
0	0	0	42,982	42,982	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>(15,373)</u>	<u>(15,373)</u>	<u>0</u>
1,047	1,057	10	(46,200)	(27,831)	18,369
35,827	35,827	0	173,159	173,159	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>42,035</u>	<u>42,035</u>	<u>0</u>
<u>\$36,874</u>	<u>\$36,884</u>	<u>\$10</u>	<u>\$168,994</u>	<u>\$187,363</u>	<u>\$18,369</u>

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**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

	<u>Proprietary Fund Types</u>		<u>Fiduciary</u>	<u>Totals</u> (Memorandum Only)
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Fund Type Non-Expendable Trust</u>	
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>				
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Tuition	\$326,390	\$0	\$0	\$326,390
Cash Received from Customers	491,922	0	0	491,922
Cash Received from Quasi-External Operating Transactions with Other Funds	0	1,273,057	0	1,273,057
Cash Received from Other Revenues	15,040	35,605	0	50,645
Cash Payments for Salaries	(524,593)	0	0	(524,593)
Cash Payments for Fringe Benefits	(213,983)	0	0	(213,983)
Cash Payments to Suppliers for Goods and Services	(507,299)	(300,167)	0	(807,466)
Cash Payments for Claims	0	(1,301,916)	0	(1,301,916)
Cash Payments for Other Expenses	(7,950)	0	(950)	(8,900)
Net Cash Used for Operating Activities	<u>(420,473)</u>	<u>(293,421)</u>	<u>(950)</u>	<u>(714,844)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Cash Received from Operating Grants	239,344	0	0	239,344
Cash Received from Operating Transfers In	119,123	339,000	0	458,123
Cash Received from Advances In	42,982	0	0	42,982
Cash Payments for Advances Out	(829)	(14,544)	0	(15,373)
Net Cash Provided by Noncapital Financing Activities	<u>400,620</u>	<u>324,456</u>	<u>0</u>	<u>725,076</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Cash Payments for Fixed Assets	<u>(9,383)</u>	<u>(934)</u>	<u>0</u>	<u>(10,317)</u>
<u>Cash Flows from Investing Activities:</u>				
Cash Received from Interest	<u>196</u>	<u>1,042</u>	<u>2,007</u>	<u>3,245</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(29,040)	31,143	1,057	3,160
Cash and Cash Equivalents at Beginning of Year	<u>179,367</u>	<u>0</u>	<u>35,827</u>	<u>215,194</u>
Cash and Cash Equivalents at End of Year	<u>\$150,327</u>	<u>\$31,143</u>	<u>\$36,884</u>	<u>\$218,354</u>

(Continued)

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
		<u>Internal</u>	<u>Non-Expendable</u>	
	<u>Enterprise</u>	<u>Service</u>	<u>Trust</u>	
<u>Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:</u>				
Operating Income (Loss)	(\$434,795)	(\$387,521)	\$1,057	(\$821,259)
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Used For Operating Activities:</u>				
Depreciation	16,000	252	0	16,252
Donated Commodities Used During Year	3,162	0	0	3,162
Interest Reported as Operating Income	0	0	(2,007)	(2,007)
<u>Changes in Assets and Liabilities:</u>				
Increase in Accounts Receivable	(7,604)	0	0	(7,604)
Increase in Intergovernmental Receivable	(16,346)	0	0	(16,346)
Increase in Prepaid Items	(65)	0	0	(65)
Increase (Decrease) in Accounts Payable	(18,043)	226	0	(17,817)
Increase in Accrued Wages and Benefits	28,832	0	0	28,832
Increase in Compensated Absences Payable	2,848	0	0	2,848
Increase in Intergovernmental Payable	5,320	0	0	5,320
Increase in Due to Other Funds	218	0	0	218
Increase in Claims Payable	0	93,622	0	93,622
Net Cash Used for Operating Activities	<u>(\$420,473)</u>	<u>(\$293,421)</u>	<u>(\$950)</u>	<u>(\$714,844)</u>

Non-Cash Capital Transaction

During fiscal year 2000, the General Fund purchased fixed assets, in the amount of \$7,464, and donated them to the Adult Education enterprise fund.

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

All Fiduciary Fund Types	\$357,542
Less Agency Funds	(23,612)
Less Expendable Trust Funds	(2,189)
Less External Investment Pool	<u>(294,857)</u>
Cash and Cash Equivalents Non-Expendable Trust Funds	<u>\$36,884</u>

See Accompanying Notes to the General Purpose Financial Statements

TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY

STATEMENT OF CHANGES IN NET ASSETS
FIDUCIARY FUND TYPE
JUNE 30, 2000

	<u>Investment Trust</u>
<u>Revenues:</u>	
Interest	\$3,529
<u>Expenses:</u>	
Operating Expenses	<u>0</u>
Net Increase in Assets Resulting from Operations	3,529
Distributions to Participants	(3,529)
Capital Transactions	<u>(137,470)</u>
Total Decrease in Net Assets	(137,470)
Net Assets at Beginning of Year	<u>432,327</u>
Net Assets at End of Year	<u><u>\$294,857</u></u>

See Accompanying Notes to the General Purpose Financial Statements

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**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

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

Reporting Entity

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

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

The School District is associated with the Tri-Rivers Educational Computer Association (TRECA), a jointly governed organization, and the Ohio School Boards Association Workers' Compensation Group Rating Plan, an insurance pool. These organizations are presented in Notes 20 and 21 to the general purpose financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation - Fund Accounting

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

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

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

Governmental Fund Types

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

General Fund

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

Special Revenue Funds

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

Debt Service Fund

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

Capital Projects Funds

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

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation - Fund Accounting (Continued)

Proprietary Fund Types

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

Enterprise Funds

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

Internal Service Fund

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

Fiduciary Fund Types

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

Account Groups

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

General Fixed Assets Account Group

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

General Long-Term Obligations Account Group

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

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus and Basis of Accounting

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

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

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

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

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

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2000, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2001 operations, have been recorded as deferred revenue.

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

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

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgetary Process

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

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

Tax Budget

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

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

Estimated Resources

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

Appropriations

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

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgetary Process (Continued)

Appropriations (Continued)

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

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

Encumbrances

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

Lapsing of Appropriations

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

D. Cash and Investments

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

During fiscal year 2000, investments were limited to nonnegotiable certificates of deposit, repurchase agreements, and STAR Ohio. Nonnegotiable certificates of deposit and repurchase agreements are reported at cost. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2000.

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 was \$99,490, which included \$18,323 assigned from other School District funds.

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Investments (Continued)

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

E. Prepaid Items

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

F. Inventory

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

G. Restricted Assets

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

H. Fixed Assets and Depreciation

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

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

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets and Depreciation (Continued)

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

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

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

I. Interfund Assets/Liabilities

Short-term interfund loans are classified as "Interfund Receivables/Payables". Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "Due from/to Other Funds". Long-term interfund loans are classified as "Advances to/from Other Funds" and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources since they are not a component of net current assets.

J. Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees with at least 25 years of service; with at least 20 years of service and at least 50 years of age; or with any amount of service and at least 55 years of age.

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences (Continued)

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

K. Accrued Liabilities and Long-Term Obligations

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

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

L. Contributed Capital

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

M. Fund Balance Reserves and Designations

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Fund balance designations are established to indicate tentative plans for financial resource utilization in future periods. Unreserved, undesignated fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for property taxes, notes receivable, inventories of materials and supplies, budget stabilization, advances, contributions, external pool participants, and encumbrances.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents monies required to be set aside by State statute to protect against cyclical changes in revenues and expenditures. The reserve for contributions signifies legal restrictions on the use of principal in the non-expendable trust funds. The reserve for external pool participants represents net assets held in trust for the external portion of the pool. The designations for textbooks, capital improvements, and budget stabilization represent resources set aside in excess of those required by State statute.

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Intergovernmental Revenues

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

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

Entitlements

General Fund

State Foundation Program
State Property Tax Relief

Non-Reimbursable Grants

Special Revenue Funds

Career Development
Quality Enhancement
Professional Development
Education Management Information System
Public School Preschool
SchoolNet Buddy Program
SchoolNet Professional Development
Ohio Partners in Education
Eisenhower
Vocational Educational Planning District (VEPD)
Combined Support Service
Technical Assistance
Title VI
Career Pathways

Agency Fund

Pell Grant

Reimbursable Grants

Special Revenue Fund

School to Work

Grants and entitlements were 50 percent of the revenues of the School District's governmental fund types during the 2000 fiscal year.

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Interfund Transactions

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

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

P. Estimates

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

Q. Total Columns on General Purpose Financial Statements

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

3. ACCOUNTABILITY

The following funds had deficit fund balances/retained earnings at June 30, 2000.

<u>Fund Type/Fund</u>	<u>Deficit</u>
Special Revenue Funds	
Quality Enhancement	\$2,796
Public School Preschool	1,831
VEPD	46,887
Enterprise Fund	
Food Service	10,973
Internal Service Fund	
Self Insurance	193,156

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

3. ACCOUNTABILITY (Continued)

The deficit fund balances in the special revenue funds at June 30, 2000, were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

The deficit retained earnings in the Food Service enterprise fund is the result of operating expenses exceeding operating revenues in fiscal year 2000. The School District is reviewing the operation of this fund.

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

4. BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and expendable trust funds and as note disclosure in the proprietary fund types and non-expendable trust funds (GAAP basis).
4. For proprietary funds, the acquisition and construction of fixed assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

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

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

4. BUDGETARY BASIS OF ACCOUNTING (Continued)

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

	<u>Governmental Fund Types</u>			<u>Expendable Trust</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
GAAP Basis	(\$47,132)	(\$3,404)	\$37,422	\$1,508
Revenue Accruals:				
Accrued FY 1999, Received in FY 2000	987,115	79,514	0	0
Accrued FY 2000, Not Yet Received	(908,733)	(559)	0	0
Expenditure Accruals:				
Accrued FY 1999, Paid in FY 2000	(984,951)	(20,824)	0	0
Accrued FY 2000, Not Yet Paid	947,410	6,137	0	0
Notes Receivable:				
New Notes	0	0	0	(400)
Payments Received	0	0	0	200
Prepaid Items	(6,286)	0	0	0
Advances In	324,170	58,881	144,069	0
Advances Out	(245,932)	(164,728)	(144,069)	0
Encumbrances Outstanding at Year End (Budget Basis)	(567,431)	(23,842)	(47,898)	0
Budget Basis	<u>(\$501,770)</u>	<u>(\$68,825)</u>	<u>(\$10,476)</u>	<u>\$1,308</u>

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

4. BUDGETARY BASIS OF ACCOUNTING (Continued)

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

	Enterprise	Internal Service
GAAP Basis	(\$86,223)	(\$47,479)
<u>Increase (Decrease) Due To:</u>		
Revenue Accruals:		
Accrued FY 1999, Received in FY 2000	56,301	0
Accrued FY 2000, Not Yet Received	(71,666)	0
Expense Accruals:		
Accrued FY 1999, Paid in FY 2000	(74,740)	(132,718)
Accrued FY 2000, Not Yet Paid	93,915	226,566
Prepaid Items	(65)	0
Acquisition of Fixed Assets	(9,383)	(934)
Depreciation Expense	16,000	252
Loss on Disposal of Fixed Assets	4,668	0
Advances In	42,982	0
Advances Out	(829)	(14,544)
Encumbrances Outstanding at Year End (Budget Basis)	(30,991)	0
Budget Basis	(\$60,031)	\$31,143

5. DEPOSITS AND INVESTMENTS

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

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

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

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

5. DEPOSITS AND INVESTMENTS (Continued)

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio); and
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

5. DEPOSITS AND INVESTMENTS (Continued)

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

At fiscal year end, the School District had \$657 in undeposited cash on hand which is included on the balance sheet of the School District as part of "Equity in Pooled Cash and Cash Equivalents".

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

At fiscal year end, the carrying amount of the School District's deposits was \$17,952 and the bank balance was \$310,177. Of the bank balance, \$160,177 was covered by federal depository insurance and \$150,000 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

	Category 3	Carrying Amount	Fair Value
Repurchase Agreements	\$235,000	\$235,000	\$235,030
STAR Ohio		1,692,228	1,692,228
Totals		\$1,927,228	\$1,927,258

The classification of cash and cash equivalents and investments on the combined balance sheet is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting". A reconciliation between the classification of cash and cash equivalents and investments on the combined balance sheet and the classification of deposits and investments according to GASB Statement No. 3 is as follows:

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

5. DEPOSITS AND INVESTMENTS (Continued)

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$1,945,837	\$0
Cash on Hand	(657)	0
Investments:		
Repurchase Agreements	(235,000)	235,000
STAR Ohio	(1,692,228)	1,692,228
GASB Statement No. 3	\$17,952	\$1,927,228

6. INVESTMENT POOL

By State statute, the School District serves as fiscal agent for a separate legal entity. The School District pools the monies of this entity with the School District's monies for investment purposes. The School District cannot allocate its investments between the internal and external pools. The investment pool is not registered with the SEC as an investment company. The fair value of investments is determined annually. The pool does not issue shares. Each participant is allocated a pro rata share of each investment at fair value along with a pro rata share of the interest that it earns. The carrying amounts and fair value for both the internal and external investment pools are disclosed in Note 5 - Deposits and Investments.

Condensed financial information for the investment pool follows:

**Statement of Net Assets
June 30, 2000**

<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$1,814,638
<u>Restricted Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	131,199
Total Assets	\$1,945,837
 <u>Net Assets Held in Trust for Pool Participants:</u>	
Internal Portion	\$1,650,980
External Portion	294,857
Total Net Assets Held in Trust for Pool Participants	\$1,945,837

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

6. INVESTMENT POOL (Continued)

**Statement of Changes in Net Assets
For the Fiscal Year Ended June 30, 2000**

<u>Revenues:</u>	
Interest	\$102,178
<u>Expenses:</u>	
Operating Expenses	0
Net Increase in Assets Resulting from Operations	102,178
Distributions to Participants	(102,178)
Capital Transactions	(70,674)
Total Decrease in Net Assets	(70,674)
Net Assets at Beginning of Year	2,016,511
Net Assets at End of Year	\$1,945,837

7. PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Real and public utility property tax revenues received in calendar year 2000 represent the collection of calendar year 1999 taxes. Real property taxes for 2000 were levied after April 1, 2000, on the assessed values as of January 1, 2000, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility real and tangible personal property taxes for 2000 were levied after April 1, 2000, on the assessed values as of December 31, 1999, the lien date. Public utility real property is assessed at 35 percent of true value; tangible personal property is currently assessed at varying percentages of true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

7. PROPERTY TAXES (Continued)

Tangible personal property tax revenues received in calendar year 2000 (other than public utility property) represent the collection of calendar year 2000 taxes. Tangible personal property taxes for 2000 were levied after April 1, 1999, on the value as of December 31, 1999. Tangible personal property is currently assessed at 25 percent of true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The School District receives property taxes from seven counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2000, are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, public utility property, and tangible personal property taxes which were measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2000, and 1999, in the General Fund, was \$855,881 and \$444,586, respectively.

Accrued property taxes receivable also includes amounts for any late tax settlements made by the Counties. For fiscal year 2000 and 1999, these amounts equaled \$16,242 and \$14,876 in the General Fund.

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

	1999 Second- Half Collections		2000 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$943,202,290	75.90 %	\$1,028,538,370	79.78 %
Public Utility	103,692,840	8.34	101,834,810	7.90
Tangible Personal	195,796,270	15.76	158,896,525	12.32
Total Assessed Value	<u>\$1,242,691,400</u>	<u>100.00 %</u>	<u>\$1,289,269,705</u>	<u>100.00 %</u>
Tax rate per \$1,000 of assessed valuation	\$4.40		\$4.40	

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

8. RECEIVABLES

Receivables at June 30, 2000, consisted of property taxes, accounts (rent, billings for user charged services, and student fees), intergovernmental, accrued interest, interfund, notes receivable, and services charged to other funds. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. Accounts receivable at June 30 were \$21,383. Notes receivable, representing loans made to students for higher education, were \$1,832.

A summary of the principal items of intergovernmental receivables follows:

	Amount
General Fund	
Marion Technical College	\$21,714
Delaware Joint Vocational School District	5,000
Marion City School District	60
North Central Regional Professional Development	908
North Central Ohio Educational Service Center	82
Miscellaneous	1,386
Total General Fund	29,150
Special Revenue Fund	
Career Development	559
Enterprise Funds	
Rotary	5,803
Adult Education	46,996
Total Enterprise Funds	52,799
Total Intergovernmental Receivables	\$82,508

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

9. FIXED ASSETS

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

	Enterprise				Internal Service
	Food	Adult		Total	Self
	Service	Rotary	Education		Insurance
Furniture, Fixtures, and Equipment	\$50,612	\$53,591	\$135,950	\$240,153	\$3,155
Less Accumulated Depreciation	(41,042)	(23,941)	(81,745)	(146,728)	(888)
Net Fixed Assets	<u>\$9,570</u>	<u>\$29,650</u>	<u>\$54,205</u>	<u>\$93,425</u>	<u>\$2,267</u>

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

Asset Category	Balance at 6/30/99	Additions	Reductions	Balance at 6/30/00
Land, Buildings, and Improvements	\$7,277,881	\$736,969	\$0	\$8,014,850
Furniture, Fixtures, and Equipment	2,255,962	230,040	(42,379)	2,443,623
Construction in Progress	296,332	699,902	(296,332)	699,902
Total Fixed Assets	9,830,175	1,666,911	(338,711)	11,158,375
Less Accumulated Depreciation	(5,667,274)	(372,214)	72,258	(5,967,230)
Net Fixed Assets	<u>\$4,162,901</u>	<u>\$1,294,697</u>	<u>(\$266,453)</u>	<u>\$5,191,145</u>

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

10. INTERFUND ASSETS/LIABILITIES

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

Fund Type/Fund	Receivable			Payable		
	Interfund	Due from	Advances to	Interfund	Due to	Advances from
General Fund	\$102,77	\$218	\$3,352	\$0	\$0	\$0
Special Revenue Funds						
Career Development	0	0	0	9,088	0	0
Quality Enhancement	0	0	0	3,000	0	0
VEPD	0	0	0	46,793	0	0
Total Special Revenue	0	0	0	58,881	0	0
Enterprise Funds						
Food Service	0	0	0	18,849	0	0
Rotary	0	0	0	24,133	218	3,352
Total Enterprise Funds	0	0	0	42,982	218	3,352
Agency Fund						
Student Activities	0	0	0	908	0	0
Total All Funds	\$102,77 1	\$218	\$3,352	\$102,77 1	\$218	\$3,352

11. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2000, the School District contracted for the following insurance coverages.

Coverages provided by Indiana Insurance Company:

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

Coverages provided by Nationwide Insurance Company:

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

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

11. RISK MANAGEMENT (Continued)

Settled claims have not exceeded this commercial coverage in any of the past three years, and there has been no significant reduction in insurance coverage from the prior fiscal year.

For fiscal year 2000, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP.

The School District offers medical, prescription drug, dental, and vision insurance to all employees through a self-insured program. All funds of the School District participated in the program and made payments to the Self Insurance internal service fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The School District purchased stop loss insurance for claims in excess of coverage provided by the fund of \$30,000 per individual and \$1,678,029 per aggregate. Settled claims have not exceeded this coverage for the past three years. Claims payable is based on the requirements of Governmental Accounting Standards Board Statement No. 30, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Claims payable at June 30, 2000, are estimated by the third party administrator at \$226,016.

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

	Beginning Balance	Current Year Claims and Changes in Estimates	Claims Payments	Ending Balance
2000	\$132,394	\$1,395,538	\$1,301,916	\$226,016
1999	68,000	1,134,170	1,069,776	132,394

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

12. SIGNIFICANT CONTRACTUAL COMMITMENTS

The School District has several outstanding contracts for professional services. The following amounts remained on these contracts at June 30, 2000:

<u>Vendor</u>	<u>Contract Amount</u>	<u>Amount Paid as of 6/30/00</u>	<u>Outstanding Balance</u>
Mansfield Asphalt	\$210,913	\$0	\$210,913
H.E.A.T	449,288	403,012	46,276

13. DEFINED BENEFIT PENSION PLANS

A. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the School District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations for fiscal year 2000. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contribution for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998, were \$271,781, \$268,440, and \$416,306, respectively; 85 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. The unpaid contribution for fiscal year 2000, in the amount of \$41,547, is recorded as a liability within the respective funds.

B. School Employees Retirement System

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

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

B. School Employees Retirement System (Continued)

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute an actuarially determined rate. The current rate is 14 percent of annual covered payroll; 5.5 percent was the portion used to fund pension obligations for fiscal year 2000. For fiscal year 1999, 7.7 percent was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The School District's required contribution for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998, were \$171,089, \$182,141, and \$139,352, respectively; 100 percent has been contributed for fiscal years 2000, 1999, and 1998.

C. Social Security System

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

14. POSTEMPLOYMENT BENEFITS

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired classified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums. Benefit provisions and the obligation to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For fiscal year 2000, the Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$362,375 for fiscal year 2000.

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

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

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

14. POSTEMPLOYMENT BENEFITS (Continued)

For this fiscal year, employer contributions to fund health care benefits were 8.5 percent of covered payroll, an increase from 6.3 percent for fiscal year 1999. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay has been established at \$12,400. For the School District, the amount to fund health care benefits, including the surcharge, was \$269,863 for fiscal year 2000.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of 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, SERS had net assets available for payment of health care benefits of \$188.0 million. SERS has approximately 51,000 participants currently receiving health care benefits.

15. OTHER EMPLOYEE BENEFITS

A. Compensated Absences

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

B. Insurance Benefits

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

C. Special Termination Benefits

Employees who retired in fiscal year 2000 were offered a special termination benefit. Classified employees and certain certified employees, excluding administrators, were eligible for the benefit. The employee must have a minimum of five years of service with the School District, be eligible to retire under the appropriate retirement system, and retire by the end of the fiscal year. The termination benefit is the difference between the present regular contract amount and the base level on the salary schedule, not to exceed \$9,000. Benefit payments are made within thirty days after submitting proof of retirement to the Treasurer's office. At June 30, 2000, the School District did not have a liability for special termination benefits.

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

16. CAPITALIZED LEASES - LESSEE DISCLOSURE

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

General fixed assets acquired by lease have been capitalized in the general fixed assets account group, in the amount of \$292,999. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in fiscal year 2000 were \$97,573 in the governmental funds.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2000.

Fiscal Year Ending June 30,	GLTOAG
2001	\$107,157
Less Amount Representing Interest	(4,212)
Present Value of Net Minimum Lease Payments	\$102,945

17. LONG-TERM OBLIGATIONS

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

	Balance at 6/30/99	Additions	Reductions	Balance at 6/30/00
School Facilities Loan 0.00%	\$440,415	\$0	\$44,042	\$396,373
FY 1995 Bonds 4.55% to 5.80%	420,000	0	60,000	360,000
FY 2000 Bonds 5.60%	0	440,000	0	440,000
Total Long-Term Obligations	860,415	440,000	104,042	1,196,373
Compensated Absences Payable	182,695	968	0	183,663
Intergovernmental Payable	6,989	2,161	6,989	2,161
Capital Leases Payable	200,518	0	97,573	102,945
Total General Long-Term Obligations	\$1,250,617	\$443,129	\$208,604	\$1,485,142

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

17. LONG-TERM OBLIGATIONS (Continued)

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

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

FY 2000 General Obligation Bonds - In fiscal year 2000, the School District issued \$440,000 in unvoted general obligation bonds for providing energy conservation measures for the School District. The bonds were issued under the authority of Ohio Revised Code Sections 133.06(G) and 3313.372 for a ten year period, with final maturity during fiscal year 2010. The bonds are being retired through the debt service fund.

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

The School District's overall debt margin was \$115,637,900 with an unvoted debt margin of \$892,897 at June 30, 2000.

Principal and interest requirements for general obligation debt outstanding at June 30, 2000, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$153,042	\$43,806	\$196,848
2002	158,042	37,734	195,776
2003	158,042	31,350	189,392
2004	163,042	24,932	187,974
2005	168,042	18,192	186,234
2006 - 2010	396,163	30,800	426,963
	<u>\$1,196,373</u>	<u>\$186,814</u>	<u>\$1,383,187</u>

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

18. SET ASIDE BALANCES

The School District is required by State statute to annually set aside, in the General Fund, an amount based on a statutory formula for the purchase of textbooks and other instructional materials, and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end. These amounts must be carried forward and used for the same purposes in future years. In addition, the School District is required to set aside money for budget stabilization.

The following cash basis information identifies the changes in the fund balance reserves for textbooks, capital improvements, and budget stabilization during fiscal year 2000.

	<u>Textbooks</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Balance June 30, 1999	\$0	\$0	\$102,749
Current Year Set Aside Requirement	206,232	206,232	68,744
Current Year Offset	0	0	(40,294)
Qualifying Expenditures	(387,361)	(206,232)	0
Balance Carried Forward to Fiscal Year 2001	<u>(\$181,129)</u>	<u>\$0</u>	<u>\$131,199</u>
Reserve Balance June 30, 2000	<u>\$0</u>	<u>\$0</u>	<u>\$131,199</u>

The School District had qualifying expenditures during the fiscal year that reduced the textbooks set aside amount below zero. This amount may be used to reduce the set aside requirement in future fiscal years. The total reserve balance for the set asides at the end of the fiscal year was \$131,199.

19. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The School District maintains four enterprise funds to account for the operations of food service, uniform school supplies, rotary, and adult education. The table below reflects the more significant financial data relating to the enterprise funds of the Tri-Rivers Joint Vocational School District as of and for the fiscal year ended June 30, 2000.

<u>Description</u>	<u>Food Service</u>	<u>Uniform School Supply</u>	<u>Rotary</u>	<u>Adult Education</u>	<u>Totals</u>
Operating Revenues	\$117,573	\$95,694	\$226,643	\$417,392	\$857,302
Depreciation Expense	738	0	5,048	10,214	16,000
Operating Income (Loss)	(71,329)	3,431	(43,068)	(323,829)	(434,795)

Continued

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

19. SEGMENT INFORMATION FOR ENTERPRISE FUNDS (Continued)

Description	Food Service	Uniform School Supply	Rotary	Adult Education	Totals
Federal Donated Commodities	\$3,162	\$0	\$0	\$0	\$3,162
Operating Grants	41,727	0	12,611	176,421	230,759
Operating Transfers In	0	0	0	119,123	119,123
Net Income (Loss)	(26,244)	3,431	(30,623)	(32,787)	(86,223)
Fixed Asset Additions	4,845	0	3,013	8,989	16,847
Fixed Asset Reductions	0	0	229	9,100	9,329
Current Capital Contributions	0	0	0	7,464	7,464
Net Working Capital	(20,543)	53,351	19,608	51,034	103,450
Total Assets	12,290	55,284	94,191	154,228	315,993
Total Equity (Deficit)	(10,973)	53,351	45,906	86,950	175,234
Encumbrances Outstanding at Year End (Budget Basis)	2,198	2,945	12,022	13,826	30,991

20. JOINTLY GOVERNED ORGANIZATION

Tri-Rivers Educational Computer Association

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

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

21. INSURANCE POOL

Ohio School Boards Association Workers' Compensation Group Rating Plan

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

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

22. STATE SCHOOL FUNDING DECISION

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's Legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "School Foundation Program", which provides significant monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$3,940,565 of school foundation support for its General Fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the Ohio General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Supreme Court rendered an opinion on this issue. The Supreme Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled". The Supreme Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision; however, it found seven "...major areas warrant further attention, study, and development by the Ohio 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 Supreme Court found took the place of the unconstitutional emergency school loan assistance program.

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

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

23. CONTINGENCIES

A. Grants

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

B. Litigation

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

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

Federal Grantor/ Pass Through Grantor/ Program Title	CFDA #	Pass Through Entity Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed through the Ohio Department of</i>						
Nutrition Cluster:						
Food Distribution	10.550		-	\$1,970	-	\$3,301
National School Lunch Program	10.555	03-PU 99 / 00 04-PU 99 / 00 16-CC 99 / 00	39,955	-	39,955	-
Child and Adult Care Food Program	10.558	21-ML 99 / 00	12,246	-	12,246	-
Total U.S. Department of Agriculture - Nutrition Cluster			52,201	1,970	52,201	3,301
U.S. DEPARTMENT OF LABOR						
<i>Passed through the Ohio Department of</i>						
Employment Services and Job Training	17.249	WK-BE 98/99	60,412	-	45,828	-
U.S. DEPARTMENT OF EDUCATION						
Student Financial Assistance Cluster:						
Federal Pell Grant Program	84.063		35,384	-	35,384	-
Federal Direct Student Loan	84.268		46,365	-	46,365	-
Total Student Financial Assistance Cluster			81,749	-	81,749	-
<i>Passed through the Ohio Department of</i>						
<i>Education:</i>						
Vocational Education Basic Grants to States	84.048	20-A4 99 20-C1 99 / 00	347,876	-	343,767	-
Goals 2000 - Closing the Gap	84.276	G2-S5 2000	17,750	-	3,403	-
Eisenhower Professional Development State Grant	84.281	MS-S1 99	1,744	-	1,744	-
Innovative Education Program Strategies	84.298	C2-S1 99	4,016	-	4,016	-
Total U.S. Department of Education			371,386	-	352,930	-
Total Federal Awards Receipts and Expenditures			\$565,74	\$1,970	\$532,708	\$3,301

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

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

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



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street
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**REPORT OF INDEPENDENT ACCOUNTANTS ON
COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

Tri-Rivers Joint Vocational School District
Marion County
306 Martinsburg Road
Mt. Vernon, Ohio 43050

To the Board of Education:

We have audited the general purpose financial statements of Tri-Rivers Joint Vocational School District, Marion County, Ohio, (the District) as of and for the year ended June 30, 2000, and have issued our report thereon dated January 31, 2001. 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated January 31, 2001.

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 general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Tri-Rivers Joint Vocational School District
Marion County
Report of Independent Accountants on Compliance
and on Internal Control Required by *Government
Auditing Standards*
Page 2

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

JIM PETRO
Auditor of State

January 31, 2001



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

Tri-Rivers Joint Vocational School District
Marion County
306 Martinsburg Road
Mt. Vernon, Ohio 43050

To the Board of Education:

Compliance

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

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 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 the audit committee, the Board of Education, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

JIM PETRO
Auditor of State

January 31, 2001

**TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT
MARION COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	CFDA # 84.048 Vocational Education
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



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TRI-RIVERS JOINT VOCATIONAL SCHOOL DISTRICT

MARION COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 6, 2001**