WEST LIBERTY-SALEM LOCAL SCHOOL DISTRICT
CHAMPAIGN COUNTY

REGULAR AUDIT

FOR THE YEAR ENDED JUNE 30, 1999

JIM PETRO
AUDITOR OF STATE
STATE OF OHIO

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Balance Sheet - All Fund Types and Account Groups June 30, 1999	4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances All Governmental Fund Types and Similar Fiduciary Fund Type For the Year Ended June 30, 1999	8
Combined Statement of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual (Non-GAAP Budget Basis)-All Governmental Fund Types For the Year Ended June 30, 1999	10
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings - All Proprietary Fund Types - For the Year Ended June 30, 1999	12
Combined Statement of Cash Flows - All Proprietary Fund Types For the Year Ended June 30, 1999	13
Notes to the General-Purpose Financial Statements	15
Report of Independent Accountants on Compliance and on Internal Control Required by *Government Auditing Standards*	39
Schedule of Prior Audit Findings	41

STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402

Telephone 937-285-6677
800-443-9274

Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

West Liberty-Salem Local School District
Champaign County
7208 North US 68
West Liberty, OH 43357

To the Board of Education:

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

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

As more fully described in Note 3 to the accompanying general-purpose financial statements, certain changes in accounting policies and financial reporting practices were made in order to present the aforementioned general-purpose financial statements in conformity with generally accepted accounting principles. Such changes were adopted effective July 1, 1998, and to implement those changes, adjustments were made to restate fund balances and retained earnings as of that date.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2000, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

JIM PETRO
Auditor of State

March 13, 2000

THIS PAGE LEFT BLANK INTENTIONALLY

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

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
ASSETS:				
Equity in pooled cash and cash equivalents	$1,283,105	$96,047	$104,068	$53,798
Cash with fiscal agent				
Investments	200,000			
Receivables (net of allowances of uncollectibles):				
Property taxes - current & delinquent	2,160,650	35,190	262,354	49,738
Accounts	1,380			
Accrued interest	9,878			
Due from other governments	1,300	2,711		
Prepayments	4,021			
Materials and supplies inventory	9,458			
Restricted assets:				
Equity in pooled cash and cash equivalents	89,112			
Property, plant and equipment (net of accumulated depreciation where applicable)				
OTHER DEBITS:				
Amount available in Debt Service Fund				
Amount to be provided for retirement of General Long-Term Obligations				
Total assets and other debits	$3,758,904	$133,948	$366,422	$103,536

The notes to the general-purpose financial statements are an integral part of this statement.

Proprietary Fund Types		Fund Types	Account Groups		
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	Total (Memorandum Only)
$46,042	$972	$27,537			$1,611,569
		698			698
					200,000
					2,507,932
					1,380
170					10,048
12,798					16,809
					4,021
11,027					20,485
					89,112
19,613			$11,384,772		11,404,385
				$122,215	122,215
				1,963,445	1,963,445
$89,650	$972	$28,235	$11,384,772	$2,085,660	$17,952,099

Continued

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

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES, EQUITY				
AND OTHER CREDITS				
LIABILITIES:				
Accounts payable	$37,436	$20,348	$244,208	
Accrued wages and benefits	564,587	1,534		
Compensated absences payable	11,007			
Pension obligation payable	87,944	1,364		
Deferred revenue	1,631,329	35,190		$45,764
Due to students				
Deposits held and due to others				
General obligation bonds payable				
Energy conservation bond payable				
Total liabilities	2,332,303	58,436	244,208	45,764
EQUITY AND OTHER CREDITS:				
Investment in general fixed assets				
Retained earnings: unreserved				
Fund balances:				
Reserved for encumbrances	58,615	18,392		5,500
Reserved for materials and supplies inventory	9,458			
Reserved for prepayments	4,021			
Reserved for debt service			104,068	
Reserved for tax revenue unavailable for appropriation	110,913		18,146	3,974
Reserved for budget stabilization	89,112			
Unreserved-undesignated	1,154,482	57,120		48,298
Total equity and other credits	1,426,601	75,512	122,214	57,772
Total liabilities, equity and other credits	$3,758,904	$133,948	$366,422	$103,536

The notes to the general-purpose financial statements are an integral part of this statement.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	Total (Memorandum Only)
$736					$302,728
19,397					585,518
5,214				$471,238	487,459
6,755				47,753	143,816
6,778					1,719,061
		$27,481			27,481
		698			698
				1,540,000	1,540,000
				26,669	26,669
38,880	0	28,179		2,085,660	4,833,430
			$11,384,772		11,384,772
50,770	972				51,742
					82,507
					9,458
					4,021
					104,068
					133,033
					89,112
		56			1,259,956
50,770	972	56	11,384,772		13,118,669
$89,650	$972	$28,235	$11,384,772	$2,085,660	$17,952,099

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUND TYPE FOR THE YEAR ENDED JUNE 30, 1999

	Governmental Fund Types				Fiduciary Fund Type	
	General	**Special Revenue**	**Debt Service**	**Capital Projects**	**Expendable Trust**	**Total (Memorandum Only)**
Revenues:						
From local sources:						
Taxes	$2,874,764	$34,574	$250,580	$44,673		$3,204,591
Tuition	3,059					3,059
Earnings on investments	103,558					103,558
Other local revenues	59,416	185,794				245,210
Other revenue	420	500			5,000	5,920
Intergovernmental - State	3,391,508	31,218	31,850	10,009		3,464,585
Intergovernmental - Federal		110,873				110,873
Total revenue	6,432,725	362,959	282,430	54,682	5,000	7,137,796
Expenditures:						
Current:						
Instruction:						
Regular	2,908,016	7,173		68,330		2,983,519
Special	433,724	45,973				479,697
Vocational	107,769					107,769
Other	4,275					4,275
Support services:						
Pupil	237,407	52,512		5,686		295,605
Instructional staff	370,580	19,581		3,795		393,956
Board of Education	29,093					29,093
Administration	490,211	2,745				492,956
Fiscal	192,296	728	5,451	1,026		199,501
Operations and maintenance	537,087	24,409		12,208		573,704
Pupil transportation	360,332					360,332
Central	26,833	100				26,933
Extracurricular activities	145,860	199,093			5,000	349,953
Facilities services				17,298		17,298
Debt service:						
Principal retirement			164,000			164,000
Interest and fiscal charges			122,587			122,587
Total expenditures	5,843,483	352,314	292,038	108,343	5,000	6,601,178
Excess (deficiency) of revenues over (under) expenditures	589,242	10,645	(9,608)	(53,661)	0	536,618
Other financing sources (uses):						
Operating transfers in	4,896	12,000	25,837			42,733
Operating transfers out	(37,837)	(4,896)				(42,733)
Total other financing sources (uses)	(32,941)	7,104	25,837			0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	556,301	17,749	16,229	(53,661)	0	536,618
Fund balance, July 1 (Restated) (Note 3)	868,857	57,763	105,985	111,433	56	1,144,094
Increase in reserve for inventory	1,443					1,443
Fund balance, June 30	$1,426,601	$75,512	$122,214	$57,772	$56	$1,682,155

The notes to the general-purpose financial statements are an integral part of this statement.

THIS PAGE LEFT BLANK INTENTIONALLY

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

	General Fund			Special Revenue		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
From local sources:						
Taxes	$2,886,000	$2,839,944	($46,056)	$34,612	$34,575	($37)
Tuition	8,000	4,309	(3,691)			
Earnings on investments	75,000	101,714	26,714			
Other local revenues	14,002	39,002	25,000	183,942	184,642	700
Other revenue		420	420	1,374	1,374	0
Intergovernmental - State	3,159,980	3,393,984	234,004	31,180	31,218	38
Intergovernmental - Federal				110,873	108,163	(2,710)
Total revenues	6,142,982	6,379,373	236,391	361,981	359,972	(2,009)
Expenditures:						
Current:						
Instruction:						
Regular	3,067,303	2,899,395	167,908	10,637	9,080	1,557
Special	446,710	427,791	18,919	57,787	44,074	13,713
Vocational	110,948	106,400	4,548			
Other	4,400	4,275	125			
Support services:						
Pupil	259,710	236,692	23,018	57,347	42,103	15,244
Instructional staff	383,060	361,533	21,527	26,933	24,604	2,329
Board of Education	45,200	40,515	4,685			
Administration	496,982	486,097	10,885	4,274	2,754	1,520
Fiscal	204,815	199,563	5,252	728	728	0
Operations and maintenance	589,496	570,369	19,127	54,818	40,384	14,434
Pupil transportation	375,128	363,416	11,712			
Central	27,185	25,487	1,698	100	100	0
Extracurricular activities	160,639	145,897	14,742	251,543	247,441	4,102
Facilities services						
Debt service:						
Principal retirement						
Interest and fiscal charges						
Total expenditures	6,171,576	5,867,430	304,146	464,167	411,268	52,899
Excess (deficiency) of revenues over (under) expenditures	(28,594)	511,943	540,537	(102,186)	(51,296)	50,890
Other financing sources (uses):						
Refund of prior year's expenditures		19,505	19,505			
Operating transfers in	58,200	63,096	4,896	12,000	12,323	323
Operating transfers (out)	(99,900)	(96,037)	3,863	(4,896)	(4,896)	0
Advances in		26,300	26,300	5,300	5,300	0
Advances (out)	(45,000)	(26,300)	18,700	(5,300)	(5,300)	0
Total other financing sources (uses)	(86,700)	(13,436)	73,264	7,104	7,427	323
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (use	(115,294)	498,507	613,801	(95,082)	(43,869)	51,213
Fund balance, July 1	945,881	945,881	0	18,375	18,375	0
Prior year encumbrances appropriated	31,902	31,902	0	55,395	55,395	0
Fund balance, June 30	$862,489	$1,476,290	$613,801	($21,312)	$29,901	$51,213

The notes to the general-purpose financial statements are an integral part of this statement.

Debt Service			Capital Projects		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
$259,000	$254,155	($4,845)	$45,645	$45,531	($114)
26,055	31,850	5,795	9,470	10,009	539
285,055	286,005	950	55,115	55,540	425
			92,153	68,330	23,823
			14,370	5,686	8,684
			6,797	4,095	2,702
7,000	5,451	1,549	1,500	1,026	474
			24,566	21,674	2,892
			18,000	17,298	702
164,000	164,000	0			
122,587	122,587	0			
293,587	292,038	1,549	157,386	118,109	39,277
(8,532)	(6,033)	2,499	(102,271)	(62,569)	39,702
25,837	25,837	0			
			21,000	21,000	0
			(21,000)	(21,000)	0
25,837	25,837	0	0	0	0
17,305	19,804	2,499	(102,271)	(62,569)	39,702
70,164	70,164	0	106,601	106,601	0
14,100	14,100	0	4,266	4,266	0
$101,569	$104,068	$2,499	$8,596	$48,298	$39,702

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1999

	Proprietary Fund Types		
	Enterprise	**Internal Service**	**Total (Memorandum Only)**
Operating revenues:			
Tuition and fees	$1,850	$18,082	$19,932
Sales/charges for services	227,251		227,251
Total operating revenues	229,101	18,082	247,183
Operating expenses:			
Personal services	136,960		136,960
Contract services	1,695		1,695
Materials and supplies	162,819	140	162,959
Depreciation	13,169		13,169
Other	833	18,154	18,987
Total operating expenses	315,476	18,294	333,770
Operating loss	(86,375)	(212)	(86,587)
Nonoperating revenues:			
Operating grants	49,252		49,252
Federal commodities	15,448		15,448
Interest revenue	837		837
Total nonoperating revenues	65,537		65,537
Net loss	(20,838)	(212)	(21,050)
Retained earnings, July 1 (Restated Note 3)	71,608	1,184	72,792
Retained earnings, June 30	$50,770	$972	$51,742

The notes to the general-purpose financial statements are an integral part of this statement.

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1999

	Proprietary Fund Types		
	Enterprise	Internal Service	Total (Memorandum Only)
Cash flows from operating activities:			
Cash received from tuition and fees	$1,850	$18,082	$19,932
Cash received from sales/service charges	227,251		227,251
Cash payments for personal services	(125,460)		(125,460)
Cash payments for contract services	(1,695)		(1,695)
Cash payments supplies and materials	(146,769)	(339)	(147,108)
Cash payments for other expenses	(833)	(18,154)	(18,987)
Net cash used in operating activities	(45,656)	(411)	(46,067)
Cash flows from noncapital financing activities:			
Cash received from operating grants	46,768		46,768
Net cash provided by noncapital financing activities	46,768		46,768
Cash flows from investing activities:			
Interest received	667		667
Net cash provided by investing activities	667		667
Net increase (decrease) in cash and cash equivalents	1,779	(411)	1,368
Cash and cash equivalents at beginning of year	44,263	1,383	45,646
Cash and cash equivalents at end of year	$46,042	$972	$47,014
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	($86,375)	($212)	($86,587)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	13,169		13,169
Federal donated commodities	15,448		15,448
Changes in assets and liabilities:			
Decrease in supplies inventory	1,293		1,293
Increase(Decrease) in accounts payable	633	(198)	435
Increase(Decrease) in accrued wages & benefits	11,509	(1)	11,508
Increase in compensated absences payable	1,677		1,677
Decrease in pension obligation payable	(1,686)		(1,686)
Decrease in deferred revenue	(1,324)		(1,324)
Net cash used in operating activities	($45,656)	($411)	($46,067)

The notes to the general-purpose financial statements are an integral part of this statement.

THIS PAGE LEFT BLANK INTENTIONALLY

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The West Liberty-Salem Local School District (the "District") is located in Champaign County and encompasses the Village of West Liberty and portions of surrounding townships. The District serves an area of approximately 58 square miles.

The District was established through the consolidation of existing land areas and school districts and is organized under Section 2 and 3, Article VI of the Constitution of the State of Ohio. Under such laws there is no authority for a school district to have a charter or adopt local laws. The legislative power of the school District is vested in the Board of Education, consisting of five members elected at large for staggered four year terms.

The District ranks as the 461st largest by enrollment among the 612 districts in the State, and 3rd in Champaign County. It currently operates one building which consists of the elementary school, the junior high school and the senior high school. The District employs 46 non-certified and 73 certified employees to provide services to 1,170 students in grades K through 12 and various community groups.

Reporting Entity:

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

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization.

The District is associated with three jointly governed organizations and three group purchasing pools. These organizations include Ohio Hi-Point Career Center, Southwestern Ohio Educational Purchasing Cooperative, Western Ohio Computer Organization, West Central Ohio Special Education Regional Resource Center, Ohio School Boards Association Workers' Compensation Group Rating Plan, and the Champaign, Delaware, Marion, Union Schools Insurance Consortium (See notes 16 and 17).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the 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 District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The District's significant accounting policies are described below.

A. Basis of Presentation - Fund Accounting

The District uses funds and account groups to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Fund accounting is designed to demonstrate legal compliance and to aid financial management

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (Continued)

A. Basis of Presentation - Fund Accounting (Continued)

by segregating transactions related to certain district activities or functions. Funds are classified into three categories: Governmental, Proprietary and Fiduciary. Each category is divided into separate fund types.

Governmental Fund Types:

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

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

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

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

Capital Projects 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 and trust funds).

Proprietary Fund Types:

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

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

Internal Service Fund:

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (Continued)

A. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Fund Types:

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include Expendable Trust and Agency Funds. Expendable trust funds are accounted for in essentially the same manner as governmental 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 general nature, the following account groups are used.

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

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

B. Measurement Focus/Basis of Accounting

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

All Proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the balance sheet. Proprietary Fund Type operating statements present increases (revenues) and decreases (expenses) in net total assets.

The modified accrual basis of accounting is followed for Governmental and Expendable Trust funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period, which for the District is sixty days after the June 30 year-end. Revenues accrued at the end of the year include interest, tuition, grants and entitlements (to the extent they are intended to finance the current fiscal year), and accounts (student fees and rent). Current property taxes measurable as of June 30, 1999, and which are intended to finance fiscal 2000 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at year-end. Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 1999, are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year-end.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus/Basis of Accounting (Continued)

claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

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

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

C. Budgets

The District is required by state statute to adopt an annual appropriated cash basis budget for all funds, other than agency funds. The specific timetable for a fiscal year is as follows:

1. Prior to January 15 of the preceding year, 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 expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.

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

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

4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.

5. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions must be approved by the Board of Education.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgets (Continued)

6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All departments/functions and funds completed the year within the amount of their legally authorized cash basis appropriation.

7. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal 1999, in the following amounts:

Fund:	Increase	(Decrease)
General Fund		$(590,438)
Special Revenue	$207,376	
Debt Service		(24,959)
Capital Projects		(27,227)
Enterprise		(26,726)
Internal Service	1,493	
Expendable Trust	6,843	
Agency	10,792	
Total	$226,504	$(669,350)

8. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund, function and/or object level.

   Encumbrance accounting is utilized with District funds in the normal course of operations, for purchase orders and contract related expenditures. An encumbrance is a reserve on the available spending authority due to commitment for a future expenditure and does not represent a liability. For Governmental Fund Types, encumbrances outstanding at year end appear as a reserve to the fund balance on a GAAP basis and as the equivalent of expenditures on a non-GAAP budgetary basis in order to demonstrate legal compliance. Note 15 provides a reconciliation of the budgetary and GAAP basis of accounting. Encumbrances for Enterprise funds are disclosed in Note 12.

D. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds, including Proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" (both unrestricted and restricted) on the combined balance sheet. During 1999, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), certificates of deposit, and a U.S. Treasury Bond.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as non-negotiable certificates of deposit and repurchase agreements are reported at cost.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Investments (Continued)

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

Under existing Ohio statute all investment earnings are assigned to the General fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the General fund during fiscal 1999 totaled $103,558, which included $21,833 assigned from other funds of the District.

An analysis of the Treasurer's investment account at year end is provided in Note 4.

Calculation of the Net Decrease in the Fair Value of Investments - Aggregate Method

Fair value at June 30, 1999	$ 0
Add: Proceeds of investments matured during fiscal 1999	200,000
Less: Cost of investments purchased	0
Fair value at June 30, 1998	(200,125)
Change in fair value of investments	$ (125)

E. Inventory

Inventories for all Governmental funds are valued at cost (first-in/first-out method). The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, material amounts of inventories at period end are reported as assets of the respective fund, which are equally offset by a fund balance reserve which indicated they are unavailable for appropriation even though they are a component of reported assets.

Inventories of Proprietary funds are valued at the lower of cost (first-in/first-out method) or market and expensed when used rather than when purchased.

F. Prepaids

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

G. Fixed Assets and Depreciation

1. General Fixed Assets Account Group

General fixed assets are capitalized at cost or estimated historical cost. Donated fixed assets are recorded at their fair market values as of the date donated. The District follows the policy of not capitalizing assets with a cost of less than $500 and a useful life of less than one year. No depreciation is recognized for assets in the General Fixed Assets Account Group. The District has not included infrastructure in the General Fixed Assets Account Group.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Fixed Assets and Depreciation (Continued)

2. Proprietary Funds

Equipment reflected in these funds are stated at historical cost or estimated historical cost and updated for the cost of additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date donated. A 10% salvage value is used for Proprietary fixed assets. Depreciation has been provided, where appropriate, on a straight-line basis over the following estimated useful lives:

Asset	Life (years)
Buildings	25-50
Furniture, Fixtures and Minor Equipment	5-20
Vehicles	4-6

H. Intergovernmental Revenues

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

Entitlements

General Fund
- State Foundation Program
- State Property Tax Relief

Non-Reimbursable Grants

Special Revenue Funds
- Management Information Systems
- Title VI-B
- Professional Development
- Title I
- Title VI
- Drug-Free School
- Instructional Materials Subsidy

Capital Projects Funds
- SchoolNet

Reimbursable Grants

General Fund
- Driver Education
- School Bus Purchases

Proprietary
- National School Lunch Program
- Government Donated Commodities

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Intergovernmental Revenues (Continued)

Grants and entitlements amounted to over 48% of the District's operating revenue during the 1999 fiscal year.

I. Compensated Absences

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

In accordance with the provisions of GASB Statement No. 16, Accounting for Compensated Absences, a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for severance is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees age fifty (50) or greater with at least ten (10) years of service and all employees with at least twenty (20) years of service regardless of their age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

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

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

J. Long-Term Obligations

Long-term debt is recognized as a liability of a Governmental fund when due, or when resources have been accumulated in the Debt Service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a Governmental fund. The remaining portion of such obligations is reported in the General Long-Term Obligations Account Group.

Long-term liabilities expected to be financed from Proprietary fund operations are accounted for in those funds.

K. Fund Equity

Reserved fund balances indicate that portion of fund equity which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, debt service, materials and supplies inventory, tax advance unavailable for appropriation, prepaids, and budget stabilization. The unreserved portions of fund equity reflected for the Governmental funds are available for use within the specific purposes of those funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Interfund Transactions

During the course of normal operations, the District has numerous transactions between funds. The most significant include:

1. Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded as operating transfers, with the exception of agency funds, which do not report transfers of resources as operating transfers.

2. Reimbursements from one fund to another are treated as expenditures/expenses in the reimbursing fund and a reduction in expenditures/expenses in the reimbursed fund.

3. Short-term interfund loans made pursuant to Board of Education Resolution are reflected as “interfund loans receivable or payable.” Such interfund loans are repaid in the following fiscal year.

4. Quasi-external transactions are similar to the purchase of goods or services from a vendor; i.e., the fund which provides a service records revenue, and the fund which receives that service records an expenditure/expense.

5. Residual equity transfers are non-recurring or non-routine permanent transfers of equity, generally made when a fund is closed.

6. Long-term interfund loans that will not be repaid within the next year are termed “advances” and are shown as reservations of fund balances on the combined balance sheet for those funds that report advances to other funds as assets because they are not spendable, available resources.

An analysis of the District’s interfund transactions for fiscal year 1999 is presented in Note 5.

M. Statutory Reserves

The District is required by state law to set aside certain (cash-basis) general fund revenue amounts, as defined by statute, into various reserves. During the fiscal year ended June 30, 1999, the reserve activity was as follows:

	Textbook Reserve	Capital Maintenance Reserve	Budget Stabilization Reserve	Total
Balance, 7/1/98	$ 0	$ 0	$30,912	$ 30,912
Required Set-Aside	101,830	101,830	58,200	261,860
Offset Credits	(17,000)	(84,000)	0	(101,000)
Qualifying Expenditures	(84,830)	(17,830)	0	(102,660)
Balance 6/30/99	$ 0	$ 0	$89,112	$ 89,112

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Statement of Cash Flows

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

O. Financial Reporting for Proprietary and Similar Fund Types

The District's financial statements have been prepared in accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting. This Statement is effective for financial statements beginning after December 15, 1993. The District accounts for its proprietary activities in accordance with all applicable GASB pronouncements, as well as pronouncements of the Financial Accounting Standards Board (FASB) and its predecessors issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

P. Restricted Assets

Restricted assets in the General fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. See Note M. for detail regarding statutory reserves.

Q. 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.

R. Memorandum Only - Total Columns

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

NOTE 3 - CHANGES IN FINANCIAL STATEMENT PRESENTATION

Change in Basis of Accounting

For the year ended June 30, 1999, the District has presented for the first time general purpose financial statements by fund type and account group in accordance with GAAP. In conjunction with this presentation, the District has converted its Governmental Funds and Expendable Trust Fund to the modified accrual basis of accounting and its Proprietary funds to the accrual basis of accounting. This conversion required that certain adjustments be recorded to the July 1, 1998 fund balances/retained earnings as previously reported to reflect the prior year's effect of adopting these new accounting principles. The restatements to the opening fund balances are as follows:

NOTE 3 - CHANGES IN FINANCIAL STATEMENT PRESENTATION (Continued)

Fund Type	Balance as Previously Stated at June 30, 1998	Adjustments	Restated Balance at July 1, 1998
General	$977,783	$(108,926)	$868,857
Special Revenue	109,965	(52,220)	57,763
Debt Service	83,765	22,220	105,985
Capital Projects	110,866	567	111,433
Expendable Trust	2,573	(2,517)	56
Internal Service	1,383	(199)	1,184
Enterprise	44,263	27,345	71,608

Agency fund balance was not effected since agency funds are reported on a cash basis, with note disclosure regarding items which, in other fund types, would be subject to accrual.

NOTE 4 - EQUITY IN POOLED CASH 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.

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 accounts, including passbook accounts.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation, 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 moneys deposited with the institution.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, Notes, Debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

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

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) 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);

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

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

Deposits: At year-end the carrying amount of the District's deposits was $1,536,544 and the bank balance was $1,636,515 (both amounts include $200,000 in non-negotiable certificates of deposit). Of the bank balance:

1. $264,417 was covered by federal deposit insurance.

2. $1,372,098 was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District held to a successful claim by the FDIC.

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

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

	Fair Value
Not subject to categorization:	
STAR Ohio	$364,835
Total Investments	$364,835

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 entitled, Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting.

A reconciliation between the classifications of cash and cash equivalents and investments per GASB Statement No. 9 on the combined balance sheet and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Pooled Cash and Cash Equivalents	Investments
GASB Statement No. 9	$1,700,681	$ 200,000
Investments of the Cash Management Pool:		
STAR Ohio	(364,835)	364,835
Certificates of Deposit	200,000	(200,000)
Cash with Fiscal Agent	698	
GASB Statement No. 3	$1,536,544	$ 364,835

NOTE 5 - INTERFUND TRANSACTIONS

The following is a summarized reconciliation of the District's operating transfers for fiscal year 1999:

Fund	Transfers In	Transfers (Out)
General Fund	$ 4,896	$(37,837)
Special Revenue Funds		
District Managed Student Activity	11,000	
Public School Support	1,000	
Teacher Development		(4,896)
Debt Service Fund	25,837	
	$42,733	$(42,733)

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Distributions from the second half of the calendar year occur in a new fiscal year and are intended to finance the operations of that year. Property taxes include amounts levied against all real, public utility and tangible (used in business) personal property located in the District. All property is required to be revalued every six years. Real property taxes and public utility property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values for real property are established by State law at 35% of appraised market value.

Public utility property taxes are assessed on tangible personal property at 88% of true value (with certain exceptions) and on real property at 35% of true value. Tangible personal property taxes attach as a lien and are levied after April 1 of the current year. Tangible personal property assessments are 25% of true value.

NOTE 6 - PROPERTY TAXES (Continued)

The assessed value upon which the 1998 taxes were collected was $79,346,906. Agricultural/Residential and public utility real estate represented 77.44% or $61,446,500 of this total; Commercial & Industrial real estate represented 7.76% or $6,157,640 of this total, public utility tangible represented 9.57% or $7,590,510 of this total and general tangible property represented 5.23% or $4,152,256 of this total. The voted general tax rate for operations at the fiscal year ended June 30, 1999 was $29.70 per $1,000.00 of assessed valuation, the voted rate for debt service was $3.35 per $1,000.00 of assessed valuation and $1.50 per $1,000.00 of assessed valuation for permanent improvements.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with the remainder payable by June 20.

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

The Champaign County Treasurer collects property tax on behalf of the District. The County Auditor periodically remits to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 1999, are available to finance current fiscal year operations. The amounts available to be advanced can vary on the date the bills are sent. Final "settlements" are made each February and August.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 1999. Although total property tax collections for the next fiscal year are measurable, they are not (exclusive of advances) intended to finance current year operations. The net receivable (total receivable less amount available intended to finance the current year) is therefore offset by a credit to deferred revenue. The amount available as an advance at June 30, 1999, was $110,913 in the General Fund, $18,146 in the Debt Service Fund, and $3,974 in the Capital Projects Fund.

NOTE 7 - SCHOOL DISTRICT INCOME TAX

In fiscal year 1986, voters of the District passed a .5% permanent income tax and a 1% renewal income tax that was first passed in 1992 and is up for renewal every three years. The tax is collected by the State of Ohio and remitted to the District quarterly. Total income tax revenue for fiscal 1999 credited to the General fund was $1,287,142.

NOTE 8 - RECEIVABLES

Receivables at June 30, 1999 consisted of taxes, interest, accounts, and intergovernmental State and Federal revenue. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of Federal funds. A summary of the principal items of receivables follows:

	Amounts
General Fund	
Taxes - Current & Delinquent	$2,160,650
Special Revenue Funds	
Taxes - Current & Delinquent	35,190
Debt Service Fund	
Taxes - Current & Delinquent	262,354
Capital Projects Fund	
Taxes - Current & Delinquent	49,738
Enterprise Funds	
Due from other governments	12,798

NOTE 9 - FIXED ASSETS

A summary of the changes in the General Fixed Assets Account Group during the fiscal year follows:

	Balance July 1, 1998	Increase	Decrease	Balance June 30, 1999
Land/ Improvements	$ 799,842			$ 799,842
Buildings	9,154,154			9,154,154
Furniture/ Equipment	742,465	$186,894		929,359
Vehicles	491,417	10,000	0	501,417
Total	$11,187,878	$196,894	$ 0	$11,384,772

A summary of the Proprietary fixed assets at June 30, 1999 follows:

Furniture and Equipment	$206,718
Less: Accumulated Depreciation	(187,105)
Net Fixed Assets	$ 19,613

NOTE 10 - LONG-TERM OBLIGATIONS

A. The current obligation bond outstanding, issued to provide funds for building additions and improvements, is a general obligation of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for in the General Long-Term Obligations Account Group. Payments of principal and interest relating to this liability are recorded as expenditures in the Debt Service fund.

The following is a description of the District's bonds outstanding as of June 30, 1999:

Purpose	Interest Rates	Issue Date	Maturity Date	Bond Outstanding July 1, 1998	Amount (Retired) In 1999	Bond Outstanding June 30, 1999
School Facility Bond	7.50%	8/01/87	12/01/09	$1,680,000	$(140,000)	$1,540,000

B. Additionally, the District has a six year Energy Conservation Bond issued in 1994. This bond was issued to provide funding for energy conservation measures. The outstanding balance of the bond is reported in the General Long-Term Obligations Account Group. Payments are recorded as expenditures of the Debt Service Fund. The following schedule describes the loan:

Purpose	Interest Rates	Issue Date	Maturity Date	Bond Outstanding July 1, 1998	Amount (Retired) In 1999	Bond Outstanding June 30, 1999
Energy Conservation	4.75%	4/01/94	12/01/09	$50,669	$(24,000)	$26,669

NOTE 10 - LONG-TERM OBLIGATIONS (Continued)

C. Principal and interest requirements to retire the general obligation bond and the energy conservation bond outstanding at June 30, 1999, are as follows:

Year Ending	Principal and Interest On General Obligation Bonds	Principal and Interest On Energy Conservation Bond	Total
2000	$ 250,250	$27,302	$ 277,552
2001	239,750		239,750
2002	229,250		229,250
2003	218,750		218,750
2004	208,250		208,250
2005 - 2009	883,750		883,750
2010	145,250		145,250
Total Principal and Interest	2,175,250	27,302	2,202,552
Less Amount Representing Interest	(635,250)	(633)	(635,883)
Total Principal	$1,540,000	$26,669	$1,566,669

D. *1986 Classroom Facilities Loan* - In fiscal year 1986, the School District received $6,500,000 for construction and improvements to its facilities under the State's "Classroom Facilities Program." Under this program, the School District entered into an agreement with the State of Ohio in which the State initially paid for a portion of the estimated project costs. Generally, the School District repays the State for its contribution by levying an additional property tax of one-half mill for a twenty-three year period. The School District was notified by the Ohio School Facilities Commission that they would not be responsible for repaying the $6,500,000 to the State because the School District's adjusted valuation per pupil was less than the state-wide median adjusted valuation per pupil. In lieu of the repayment, the School District must set aside the funds that would have been used for repayment to the State for facilities maintenance. As part of the process, the School District must submit a maintenance plan to the Ohio School Facilities Commission every five years until the twenty-three year period expires.

E. During the year ended June 30, 1999, the following changes occurred in the liabilities reported in the General Long-Term Obligations Account Group. Compensated absences and the pension obligation will be paid from the fund in which the employee was paid.

	Balance July 1, 1998	Increase	Decrease	Balance June 30, 1999
Compensated Absences	$ 338,936	$132,302		$ 471,238
Pension Obligation payable	46,829	47,753	$ (46,829)	47,753
General obligation bond payable	1,680,000		(140,000)	1,540,000
H.B. 264-Energy conservation bond	50,669		(24,000)	26,669
Total	$2,116,434	$180,055	$(210,829)	$2,085,660

NOTE 10 - LONG-TERM OBLIGATIONS (Continued)

F. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The effects of these debt limitations at June 30, 1999 are a voted debt margin of $5,723,436 (including available funds of $122,214) and an unvoted debt margin of $79,347.

.

NOTE 11 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, injuries to employees and natural disasters. During fiscal year 1999, The District purchased from Nationwide Insurance Company (through the Ohio School Boards Association) general liability insurance, which carried a $1 million per occurrence/$3 million annual aggregate limitation. Fleet and property/casualty insurance are purchased through commercial carriers and traditionally funded, as are all benefit plans offered to employees. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

The District is a member of Champaign, Delaware, Marion, and Union Schools Insurance Consortium (CDMU) which provides various health insurance plans to active employees and their dependents. Amongst the ten (10) districts and service centers, there were nineteen (19) plans/plan options offered to active employees and their dependents during the period under review. CDMU has contracted with CoreSource for all administrative, claims processing, claims payment, and customer service at CoreSource's Westerville, Ohio facility.

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRPs' 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 program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

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

NOTE 12 - SEGMENT INFORMATION - ENTERPRISE FUNDS

The District maintains two Enterprise funds to account for the operations of Food Service and Uniform School Supplies. The table below reflects, in a summarized format, the more significant financial data relating to the Enterprise Funds of the District as of and for the year ended June 30, 1999.

NOTE 12 - SEGMENT INFORMATION - ENTERPRISE FUNDS (Continued)

	Food Service	Uniform School Supplies	Total
Operating revenue	$227,251	$ 1,850	$229,101
Expenses before Depreciation	301,661	646	302,307
Depreciation	13,169	0	13,169
Operating income (loss)	(87,579)	1,204	(86,375)
Operating grants	49,252	0	49,252
Net income (loss)	(22,042)	1,204	(20,838)
Net working capital	23,551	12,820	36,371
Total assets	76,094	13,556	89,650
Long-Term Liabilities Payable from Fund Revenues	5,214	0	5,214
Total equity	37,950	12,820	50,770
Encumbrances at 6/30/99	525	806	1,331

NOTE 13 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute 14 percent for 1999; 7.7 percent was the portion to fund pension obligations. For fiscal year 1998, 9.02 percent was the portion used to fund pension obligations. The contribution rates are not determined actuarially, but are established by the School Employees Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998, and 1997 were $112,890 and $111,102 and $112,194 respectively; 49 percent has been contributed for fiscal year 1999 and 100 percent for the fiscal years 1998 and 1997. $58,332, which represents the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds and the General Long-Term Obligations Account Group.

NOTE 13 - DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement System

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

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. For fiscal year 1998, 10.5 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 1999, 1998 and 1997 were $421,465 and $383,631, and $379,152 respectively; 83 percent has been contributed for fiscal year 1999 and 100 percent for the fiscal years 1998 and 1997. $71,824, which represents the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds.

3. Social Security System

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

NOTE 14 - POSTEMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are 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 are required to pay a portion of health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For fiscal year 1999, the Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund, an increase from 3.5 percent for fiscal year 1998. For the District, this amount equaled $105,366 during the 1999 fiscal year.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was $2,156 million at June 30, 1998. (the latest information available) As of July 1, 1998, eligible benefit recipients totaled 91,999. For the fiscal year ended June 30, 1998, net health care costs paid by STRS were $219,224,000 and STRS has 91,999 eligible benefit recipients.

NOTE 14 - POSTEMPLOYMENT BENEFITS (Continued)

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

For this fiscal year, employer contributions to fund health care benefits were 6.3 percent of covered payroll, an increase from 4.98 percent for fiscal year 1998. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 1999, the minimum pay has been established at $12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 125 percent of annual health care expenses. Expenses for health care at June 30, 1998 (the latest information available), were $111,900, 575 and the target level was $139.9 million. At June 30, 1998 SERS had net assets available for payment of health care benefits of $160.3 million. SERS has approximately 50,000 participants currently receiving health care benefits. For the School District, the amount to fund health care benefits, including the surcharge, equaled $53,545 during the 1999 fiscal year.

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

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

The Combined Statement of Revenue, Expenditures, and Changes in Fund Balances -Budget and Actual - All Governmental Fund Types is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

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

(b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

(c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, encumbrances are recorded as the equivalent of an expenditure (budget basis) as opposed to a reservation of fund balance for Governmental funds (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the Governmental funds are as follows:

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING (Continued)

Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses

	Governmental Fund Types			
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
Budget Basis	$498,507	$(43,869)	$ 19,804	$(62,569)
Net Adjustment for Revenue Accruals	36,333	3,861	(3,575)	(858)
Net Adjustment for Expenditure Accruals	(55,085)	(29,178)		4,266
Net adjustment for other Financing Sources (Uses)	(19,505)	(16,913)		
Encumbrances	96,051	27,933		5,500
GAAP Basis	$556,301	$ 17,749	$ 16,229	$(53,661)

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

West Central Ohio Special Education Regional Resource Center - The West Central Ohio Special Education Regional Resource Center (SERRC) is a special education service center which selects its own board, adopts its own budget and receives direct Federal and State grants for its operation. The jointly governed organization was formed for the purpose of initiating, expanding and improving special education programs and services for children with disabilities and their parents. The SERRC is governed by a board of 52 members made up of the 50 superintendents of the participating districts, one non-public school, and Wright State University whose terms rotates every year. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained by contacting Krista Hart, Treasurer, at the Hardin County Educational Service Center, 1 Court House Square, Suite 50, Kenton, Ohio 43326-2385.

Ohio Hi-Point Career Center - The Ohio Hi-Point Career Center is a distinct political subdivision of the State of Ohio operating under the direction of a Board consisting of one representative from each of the participating school districts' elected boards, which possess its own budgeting and taxing authority. Financial information can be obtained the Ohio Hi-Point Career Center, Eric Adelsberger, Treasurer, 2280 State Route 540, Bellefontaine, Ohio 43311. The District did not contribute any money to the Ohio Hi-Point Career Center during fiscal year 1999.

Western Ohio Computer Organization (WOCO) - The Western Ohio Computer Organization Computer Association (WOCO) is a joint venture among 29 area school districts. The joint venture was formed for the purpose of applying modern technology (with the aid of computers and other electronic equipment) to the administrative and instructional functions of member districts. Each member district supports WOCO based upon a per pupil charge dependent upon the software package utilized. The governing board of WOCO consists of two representatives from each county elected by majority vote of all charter member school districts within each county plus one representative from the fiscal agent. Financial information can be obtained from Louis Ivey, who serves as Director, at 129 E. Court Street, Sidney, Ohio 45365.

NOTE 17 - GROUP PURCHASING POOLS

Southwestern Ohio Educational Purchasing Cooperative (SOEPC) - SOEPC is a purchasing cooperative made up of nearly one hundred school districts in Champaign and surrounding counties. The Champaign County Educational Service Center acts as fiscal agent for the group. The purpose of the cooperative is to obtain lower prices for supplies and materials commonly used by the member districts. The members are obligated to pay all fees, charges, and assessments as established by SOEPC. Each member district has one voting representative. Title to any and all equipment and supplies purchased by SOEPC is held in trust for the member districts by the fiscal agent. Payments to SOEPC are made from the District's General fund.

Ohio School Boards Association Workers' Compensation Group Rating Plan

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRPs' 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 program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

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

Champaign, Delaware, Marion, Union Schools Insurance Consortium (CDMU) CDMU sponsors self-insured medical plans for ten (10) school districts, educational service centers and Boards of Education primarily within Champaign, Delaware, Marion, and Union Counties. These plans are for active employees and their covered dependents. Amongst the ten (10) districts and service centers, there were nineteen (19) plans/plan options offered to active employees and their dependents during the period under review. CDMU has contracted with CoreSource for all administrative, claims processing, claims payment, and customer service at CoreSource's Westerville, Ohio facility.

NOTE 18 - CONTINGENT LIABILITIES

A. Grants

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement 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 effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 1999.

NOTE 18 - CONTINGENT LIABILITIES (Continued)

B. Litigation

As of the balance sheet date, the District is involved in no litigation as either plaintiff or defendant.

C. 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 that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to this District. During the fiscal year ended June 30, 1999, the District received $3,001,592 of school foundation support.

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 has reviewed the new laws, and in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. At this time, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

As of the date of these financial statements, the 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.

THIS PAGE LEFT BLANK INTENTIONALLY

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

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

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

West Liberty - Salem Local School District
Champaign County
7208 North US 68
West Liberty, OH 43357

To the Board of Education:

We have audited the financial statements of West Liberty - Salem Local School District, Champaign County, (the District) as of and for the year ended June 30, 1999, and have issued our report thereon dated March 13, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards.* However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated March 13, 2000.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated March 13, 2000.

This report is intended for the information and use of the management, the audit committee and the Board of Education, and is not intended to be and should not used by anyone other than these specified parties.

JIM PETRO
Auditor of State

March 13, 2000

SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid: *Explain*
1998-10311-001	Ohio Admin. Code Section 117-2-01	Yes	
1998-10311-002	Ohio Rev. Code Section 5705.41(B) Expenditures exceeded appropriations	No	Partially corrected, repeated in management letter
1998-10311-003	Ohio Rev. Code Section 5705.40 Board Delegating Duties to amend appropriations to the treasurer	Yes	

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

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

WEST LIBERTY-SALEM LOCAL SCHOOL DISTRICT

CHAMPAIGN 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
APRIL 13, 2000