

**AUBURN VOCATIONAL SCHOOL DISTRICT  
CONCORD TOWNSHIP, OHIO**

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**JUNE 30, 2000**



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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Board of Education  
Auburn Vocational School District - Lake County  
Concord Township, Ohio

We have reviewed the independent auditor's report of the Auburn Vocational School District, Lake County, prepared by S.R. Snodgrass A.C., for the audit period July 1, 1999 through June 30, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO  
Auditor of State

January 23, 2001

**AUBURN VOCATIONAL SCHOOL DISTRICT  
LAKE COUNTY  
FINANCIAL STATEMENTS**

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## Independent Auditors' Report

Board of Education  
Auburn Vocational School District - Lake County  
Concord Township, Ohio

We have audited the accompanying general purpose financial statements of Auburn Vocational School District - Lake County (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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2000, 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 a report dated December 6, 2000 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards - cash 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.

S. R. Snodgrass, A. C.

Mentor, Ohio  
December 6, 2000

**AUBURN VOCATIONAL SCHOOL DISTRICT - LAKE COUNTY**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**JUNE 30, 2000**

|  | Governmental Fund Types |                   |                     | Proprietary Fund Types |               | Fiduciary        | Account Groups       |                   | Totals<br>(Memorandum<br>Only) |
|--|-------------------------|-------------------|---------------------|------------------------|---------------|------------------|----------------------|-------------------|--------------------------------|
|  | General                 | Special           | Capital             | Enterprise             | Internal      | Agency           | General              | General           |                                |
|  |                         | Revenue           | Projects            |                        | Service       | Funds            | Fixed                | Long-Term         |                                |
|  |                         |                   |                     |                        |               | Assets           | Debt                 |                   |                                |
| <b>ASSETS</b>  |                         |                   |                     |                        |               |                  |                      |                   |                                |
| Equity in pooled cash and investments                  | \$ 3,368,217            | \$ 576,533        | \$ 2,432,705        | \$ 225,321             | \$ 979        | \$ 49,172        | \$ -                 | \$ -              | \$ 6,652,927                   |
| Cash with fiscal agent                                 | 122,191                 | -                 | -                   | -                      | -             | -                | -                    | -                 | 122,191                        |
| Restricted cash  | 120,132                 | -                 | -                   | -                      | -             | -                | -                    | -                 | 120,132                        |
| Receivables:   |                         |                   |                     |                        |               |                  |                      |                   |                                |
| Property taxes   | 4,804,053               | -                 | -                   | -                      | -             | -                | -                    | -                 | 4,804,053                      |
| Accounts   | 147,763                 | -                 | -                   | 15,078                 | -             | -                | -                    | -                 | 162,841                        |
| Accrued interest                                       | 77,666                  | -                 | -                   | -                      | -             | -                | -                    | -                 | 77,666                         |
| Interfund  | 295,314                 | -                 | -                   | -                      | -             | -                | -                    | -                 | 295,314                        |
| Due from other governments                             | 12,715                  | -                 | -                   | -                      | -             | -                | -                    | -                 | 12,715                         |
| Inventory - material and supplies                      | 15,860                  | -                 | -                   | 17,593                 | -             | -                | -                    | -                 | 33,453                         |
| Prepaid insurance                                      | 1,993                   | -                 | -                   | -                      | -             | -                | -                    | -                 | 1,993                          |
| Land   | -                       | -                 | -                   | -                      | -             | -                | 355,940              | -                 | 355,940                        |
| Land improvements                                      | -                       | -                 | -                   | -                      | -             | -                | 358,066              | -                 | 358,066                        |
| Buildings and improvements                             | -                       | -                 | -                   | -                      | -             | -                | 9,180,551            | -                 | 9,180,551                      |
| Furniture and equipment                                | -                       | -                 | -                   | -                      | -             | -                | 4,746,698            | -                 | 4,746,698                      |
| Catering kitchen equipment                             | -                       | -                 | -                   | -                      | -             | -                | 24,697               | -                 | 24,697                         |
| Vehicles   | -                       | -                 | -                   | -                      | -             | -                | 145,921              | -                 | 145,921                        |
| Kitchen equipment                                      | -                       | -                 | -                   | 85,895                 | -             | -                | -                    | -                 | 85,895                         |
| Accumulated depreciation - kitchen                     | -                       | -                 | -                   | (74,789)               | -             | -                | -                    | -                 | (74,789)                       |
| <b>OTHER DEBITS</b>                                    |                         |                   |                     |                        |               |                  |                      |                   |                                |
| Amount to be provided for retirement of long-term debt | -                       | -                 | -                   | -                      | -             | -                | -                    | 336,457           | 336,457                        |
| <b>Total assets and other debits</b>                   | <u>\$ 8,965,904</u>     | <u>\$ 576,533</u> | <u>\$ 2,432,705</u> | <u>\$ 269,098</u>      | <u>\$ 979</u> | <u>\$ 49,172</u> | <u>\$ 14,811,873</u> | <u>\$ 336,457</u> | <u>\$ 27,442,721</u>           |

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

**AUBURN VOCATIONAL SCHOOL DISTRICT - LAKE COUNTY**  
**COMBINED BALANCE SHEET (CONTINUED)**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**JUNE 30, 2000**

|   | Governmental Fund Types |                   |                     | Proprietary Fund Types |               | Fiduciary        | Account Groups       |                   | Totals<br>(Memorandum<br>Only) |
|---|-------------------------|-------------------|---------------------|------------------------|---------------|------------------|----------------------|-------------------|--------------------------------|
|   | General                 | Special           | Capital             | Enterprise             | Internal      | Agency           | General              | General           |                                |
|   |                         | Revenue           | Projects            |                        | Service       | Funds            | Fixed                | Long-term         |                                |
|   |                         |                   |                     |                        |               | Assets           | Debt                 |                   |                                |
| <b>LIABILITIES, FUND EQUITY AND OTHER CREDITS:</b>      |                         |                   |                     |                        |               |                  |                      |                   |                                |
| Liabilities:  |                         |                   |                     |                        |               |                  |                      |                   |                                |
| Accrued wages and salaries                              | \$ 351,739              | \$ 28,256         | \$ -                | \$ 11,494              | \$ -          | \$ -             | \$ -                 | \$ -              | \$ 391,489                     |
| Accrued employee benefits                               | 136,558                 | 7,875             | -                   | 2,467                  | -             | -                | -                    | 143,690           | 290,590                        |
| Accrued workers' compensation                           | 9,523                   | 765               | -                   | 248                    | -             | -                | -                    | -                 | 10,536                         |
| Accounts payable  | 1,773                   | -                 | -                   | -                      | -             | -                | -                    | -                 | 1,773                          |
| Claims payable  | 38,214                  | -                 | -                   | -                      | -             | -                | -                    | -                 | 38,214                         |
| Interfund payable                                       | -                       | 243,814           | -                   | 51,500                 | -             | -                | -                    | -                 | 295,314                        |
| Due to students   | -                       | -                 | -                   | -                      | -             | 49,172           | -                    | -                 | 49,172                         |
| Deferred revenue  | 4,459,352               | -                 | -                   | -                      | -             | -                | -                    | -                 | 4,459,352                      |
| Note payable  | -                       | -                 | -                   | -                      | -             | -                | -                    | 192,767           | 192,767                        |
| <b>Total liabilities</b>                                | <b>4,997,159</b>        | <b>280,710</b>    | <b>-</b>            | <b>65,709</b>          | <b>-</b>      | <b>49,172</b>    | <b>-</b>             | <b>336,457</b>    | <b>5,729,207</b>               |
| Fund Equity and Other Credits:                          |                         |                   |                     |                        |               |                  |                      |                   |                                |
| Investment in general fixed assets                      | -                       | -                 | -                   | -                      | -             | -                | 14,811,873           | -                 | 14,811,873                     |
| Retained earnings - unreserved                          | -                       | -                 | -                   | 203,389                | 979           | -                | -                    | -                 | 204,368                        |
| Fund balances:  |                         |                   |                     |                        |               |                  |                      |                   |                                |
| Budget Stabilization Reserve                            | 113,646                 | -                 | -                   | -                      | -             | -                | -                    | -                 | 113,646                        |
| Textbook Reserve  | 5,837                   | -                 | -                   | -                      | -             | -                | -                    | -                 | 5,837                          |
| Capital Maintenance Reserve                             | 649                     | -                 | -                   | -                      | -             | -                | -                    | -                 | 649                            |
| Reserved for prepaid                                    | 1,993                   | -                 | -                   | -                      | -             | -                | -                    | -                 | 1,993                          |
| Reserved for encumbrances                               | 116,103                 | 97,936            | 348,569             | -                      | -             | -                | -                    | -                 | 562,608                        |
| Reserved for inventory                                  | 15,860                  | -                 | -                   | -                      | -             | -                | -                    | -                 | 15,860                         |
| Unreserved, undesignated                                | 3,714,657               | 197,887           | 2,084,136           | -                      | -             | -                | -                    | -                 | 5,996,680                      |
| <b>Total fund equity and other credits</b>              | <b>3,968,745</b>        | <b>295,823</b>    | <b>2,432,705</b>    | <b>203,389</b>         | <b>979</b>    | <b>-</b>         | <b>14,811,873</b>    | <b>-</b>          | <b>21,713,514</b>              |
| <br>  |                         |                   |                     |                        |               |                  |                      |                   |                                |
| <b>Total liabilities, fund equity and other credits</b> | <b>\$ 8,965,904</b>     | <b>\$ 576,533</b> | <b>\$ 2,432,705</b> | <b>\$ 269,098</b>      | <b>\$ 979</b> | <b>\$ 49,172</b> | <b>\$ 14,811,873</b> | <b>\$ 336,457</b> | <b>\$ 27,442,721</b>           |

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

**AUBURN VOCATIONAL SCHOOL DISTRICT - LAKE COUNTY  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED JUNE 30, 2000**

|  | Governmental Fund Types |                    |                     | Totals<br>(Memorandum<br>Only) |
|--|-------------------------|--------------------|---------------------|--------------------------------|
|  | General                 | Special<br>Revenue | Capital<br>Projects |                                |
| <b>REVENUES:</b>   |                         |                    |                     |                                |
| Taxes  | \$ 4,533,004            | \$ -               | \$ -                | \$ 4,533,004                   |
| Interest   | 353,831                 | -                  | -                   | 353,831                        |
| Intergovernmental  | 2,368,616               | 872,974            | 36,412              | 3,278,002                      |
| Miscellaneous revenue from local sources                                 | 44,792                  | 255,703            | -                   | 300,495                        |
| Total revenues   | <u>7,300,243</u>        | <u>1,128,677</u>   | <u>36,412</u>       | <u>8,465,332</u>               |
| <b>EXPENDITURES:</b>   |                         |                    |                     |                                |
| Current:   |                         |                    |                     |                                |
| Instruction  | 2,699,617               | 735,038            | -                   | 3,434,655                      |
| Support services:  |                         |                    |                     |                                |
| Pupils   | 462,782                 | 217,409            | -                   | 680,191                        |
| Instructional staff  | 46,373                  | 25,672             | -                   | 72,045                         |
| Board of Education   | 29,683                  | -                  | -                   | 29,683                         |
| Administration   | 954,804                 | -                  | -                   | 954,804                        |
| Fiscal   | 386,608                 | -                  | -                   | 386,608                        |
| Business   | 248                     | -                  | -                   | 248                            |
| Operation and maintenance - plant  | 681,027                 | -                  | 201,433             | 882,460                        |
| Pupil transportation   | 19,496                  | -                  | -                   | 19,496                         |
| Central  | 75,519                  | 45,422             | -                   | 120,941                        |
| Extracurricular activities   | 1,654                   | 6,850              | -                   | 8,504                          |
| Non-instructional services   | 38,690                  | -                  | -                   | 38,690                         |
| Capital outlay   | 197,308                 | -                  | 130,303             | 327,611                        |
| Total expenditures   | <u>5,593,809</u>        | <u>1,030,391</u>   | <u>331,736</u>      | <u>6,955,936</u>               |
| Excess (deficiency) of revenues<br>over (under) expenditures             | <u>1,706,434</u>        | <u>98,286</u>      | <u>(295,324)</u>    | <u>1,509,396</u>               |
| <b>OTHER FINANCING SOURCES (USES):</b>                                   |                         |                    |                     |                                |
| Sale of assets   | -                       | -                  | -                   | -                              |
| Proceeds from sale of note   | -                       | -                  | 192,767             | 192,767                        |
| Operating transfers in   | -                       | 21,619             | 1,333,588           | 1,355,207                      |
| Operating transfers out  | (1,355,207)             | -                  | -                   | (1,355,207)                    |
| Refund of prior year's expenditures/revenues                             | 168,348                 | -                  | 60,000              | 228,348                        |
| Total other financing sources (uses)                                     | <u>(1,186,859)</u>      | <u>21,619</u>      | <u>1,586,355</u>    | <u>421,115</u>                 |
| Excess of revenues and other sources over<br>expenditures and other uses | <u>519,575</u>          | <u>119,905</u>     | <u>1,291,031</u>    | <u>1,930,511</u>               |
| <b>BEGINNING FUND BALANCES</b>   | <u>3,449,170</u>        | <u>175,918</u>     | <u>1,141,674</u>    | <u>4,766,762</u>               |
| <b>ENDING FUND BALANCES</b>  | <u>\$ 3,968,745</u>     | <u>\$ 295,823</u>  | <u>\$ 2,432,705</u> | <u>\$ 6,697,273</u>            |

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

**AUBURN VOCATIONAL SCHOOL DISTRICT - LAKE COUNTY  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET (NON-GAAP BASIS) AND ACTUAL  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED JUNE 30, 2000**

|   | General Fund        |                     | Variance<br>Favorable<br>(Unfavorable) |
|---|---------------------|---------------------|--|
|   | Budget              | Actual              |  |
| <b>REVENUES:</b>  |                     |                     |  |
| Taxes   | \$ 4,549,575        | \$ 4,549,575        | \$ -                                   |
| Interest  | 286,952             | 286,952             | -                                      |
| Classroom materials and fees  | 174                 | 174                 | -                                      |
| Extracurricular activities  | -                   | -                   | -                                      |
| Miscellaneous   | 68,977              | 68,977              | -                                      |
| Miscellaneous revenue from state sources  | 2,221,417           | 2,221,417           | -                                      |
| Miscellaneous revenue from federal sources  | -                   | -                   | -                                      |
| Total revenues  | 7,127,095           | 7,127,095           | -                                      |
| <b>EXPENDITURES:</b>  |                     |                     |  |
| Current   |                     |                     |  |
| Instruction:  |                     |                     |  |
| Regular   | -                   | -                   | -                                      |
| Special   | 249,934             | 249,845             | 89                                     |
| Vocational  | 2,450,842           | 2,447,582           | 3,260                                  |
| Adult continuing  | -                   | -                   | -                                      |
| Support services:   |                     |                     |  |
| Pupil   | 468,990             | 469,530             | (540)                                  |
| Instructional staff   | 35,479              | 35,479              | -                                      |
| Board of Education  | 29,683              | 29,683              | -                                      |
| Administration  | 995,796             | 993,174             | 2,622                                  |
| Fiscal  | 386,807             | 386,807             | -                                      |
| Business  | 1,748               | 1,748               | -                                      |
| Operation and maintenance of plant  | 728,130             | 728,130             | -                                      |
| Pupil transportation  | 19,496              | 19,496              | -                                      |
| Central   | 76,036              | 76,036              | -                                      |
| Extracurricular activities  | 1,836               | 1,836               | -                                      |
| Non-instructional services:   |                     |                     |  |
| Food services   | 38,694              | 38,694              | -                                      |
| Community services  | 91                  | 91                  | -                                      |
| Capital outlay  | 216,054             | 216,054             | -                                      |
| Total expenditures  | 5,699,616           | 5,694,185           | 5,431                                  |
| Excess (deficiency) of revenue over (under) expenditures  | 1,427,479           | 1,432,910           | 5,431                                  |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                     |                     |  |
| Transfers in  | 36,412              | 36,412              | -                                      |
| Transfers out   | (1,391,000)         | (1,391,000)         | -                                      |
| Advances in   | 106,381             | 106,381             | -                                      |
| Advances out  | (212,661)           | (212,661)           | -                                      |
| Sale and loss of assets   | -                   | -                   | -                                      |
| Refund of prior year expenditures   | 171,966             | 171,966             | -                                      |
| Total other financing uses  | (1,288,902)         | (1,288,902)         | -                                      |
| Excess (deficiency) of revenues and other financing sources<br>over (under) expenditures and other financing uses | 138,577             | 144,008             | 5,431                                  |
| <b>FUND BALANCES - BEGINNING OF YEAR</b>  | 2,943,057           | 2,943,057           | -                                      |
| <b>PRIOR YEAR ENCUMBRANCES - APPROPRIATED</b>   | 167,113             | 167,113             | -                                      |
| <b>FUND BALANCES - END OF YEAR</b>  | <u>\$ 3,248,747</u> | <u>\$ 3,254,178</u> | <u>\$ 5,431</u>                        |

The accompanying notes are an integral part of the financial statements



| Special Revenue Fund |            |                                  | Capital Projects Fund |              |                                  | Totals (Memorandum Only) |              |                                  |
|----------------------|------------|----------------------------------|-----------------------|--------------|----------------------------------|--------------------------|--------------|----------------------------------|
| Budget               | Actual     | Variance Favorable (Unfavorable) | Budget                | Actual       | Variance Favorable (Unfavorable) | Budget                   | Actual       | Variance Favorable (Unfavorable) |
| \$ -                 | \$ -       | \$ -                             | \$ -                  | \$ -         | \$ -                             | \$ 4,549,575             | \$ 4,549,575 | \$ -                             |
| -                    | -          | -                                | -                     | -            | -                                | 286,952                  | 286,952      | -                                |
| -                    | -          | -                                | -                     | -            | -                                | 174                      | 174          | -                                |
| 118                  | 118        | -                                | -                     | -            | -                                | 118                      | 118          | -                                |
| 255,585              | 255,585    | -                                | -                     | -            | -                                | 324,562                  | 324,562      | -                                |
| 497,719              | 497,719    | -                                | 36,412                | 36,412       | -                                | 2,755,548                | 2,755,548    | -                                |
| 375,255              | 375,255    | -                                | -                     | -            | -                                | 375,255                  | 375,255      | -                                |
| 1,128,677            | 1,128,677  | -                                | 36,412                | 36,412       | -                                | 8,292,184                | 8,292,184    | -                                |
| 48,750               | 48,750     | -                                | -                     | -            | -                                | 48,750                   | 48,750       | -                                |
| -                    | -          | -                                | -                     | -            | -                                | 249,934                  | 249,845      | 89                               |
| 211,811              | 211,745    | 66                               | -                     | -            | -                                | 2,662,653                | 2,659,327    | 3,326                            |
| 544,424              | 544,424    | -                                | -                     | -            | -                                | 544,424                  | 544,424      | -                                |
| 228,485              | 224,333    | 4,152                            | -                     | -            | -                                | 697,475                  | 693,863      | 3,612                            |
| 25,672               | 25,672     | -                                | -                     | -            | -                                | 61,151                   | 61,151       | -                                |
| -                    | -          | -                                | -                     | -            | -                                | 29,683                   | 29,683       | -                                |
| 73                   | 73         | -                                | -                     | -            | -                                | 995,869                  | 993,247      | 2,622                            |
| -                    | -          | -                                | -                     | -            | -                                | 386,807                  | 386,807      | -                                |
| -                    | -          | -                                | -                     | -            | -                                | 1,748                    | 1,748        | -                                |
| -                    | -          | -                                | 656,678               | 499,807      | 156,871                          | 1,384,808                | 1,227,937    | 156,871                          |
| -                    | -          | -                                | -                     | -            | -                                | 19,496                   | 19,496       | -                                |
| 61,179               | 61,179     | -                                | -                     | -            | -                                | 137,215                  | 137,215      | -                                |
| 6,850                | 6,850      | -                                | -                     | -            | -                                | 8,686                    | 8,686        | -                                |
| -                    | -          | -                                | -                     | -            | -                                | 38,694                   | 38,694       | -                                |
| -                    | -          | -                                | -                     | -            | -                                | 91                       | 91           | -                                |
| -                    | -          | -                                | 180,498               | 180,498      | -                                | 396,552                  | 396,552      | -                                |
| 1,127,244            | 1,123,026  | 4,218                            | 837,176               | 680,305      | 156,871                          | 7,664,036                | 7,497,516    | 166,520                          |
| 1,433                | 5,651      | 4,218                            | (800,764)             | (643,893)    | 156,871                          | 628,148                  | 794,668      | 166,520                          |
| 21,000               | 21,000     | -                                | 1,370,000             | 1,370,000    | -                                | 1,427,412                | 1,427,412    | -                                |
| -                    | -          | -                                | (36,412)              | (36,412)     | -                                | (1,427,412)              | (1,427,412)  | -                                |
| 161,161              | 161,161    | -                                | -                     | -            | -                                | 267,542                  | 267,542      | -                                |
| (106,381)            | (106,381)  | -                                | -                     | -            | -                                | (319,042)                | (319,042)    | -                                |
| -                    | -          | -                                | 192,767               | 192,767      | -                                | 192,767                  | 192,767      | -                                |
| -                    | -          | -                                | 60,000                | 60,000       | -                                | 231,966                  | 231,966      | -                                |
| 75,780               | 75,780     | -                                | 1,586,355             | 1,586,355    | -                                | 373,233                  | 373,233      | -                                |
| 77,213               | 81,431     | 4,218                            | 785,591               | 942,462      | 156,871                          | 1,001,381                | 1,167,901    | 166,520                          |
| 394,632              | 394,632    | -                                | 1,109,256             | 1,109,256    | -                                | 4,446,945                | 4,446,945    | -                                |
| 1,728                | 1,728      | -                                | 32,419                | 32,419       | -                                | 201,260                  | 201,260      | -                                |
| \$ 473,573           | \$ 477,791 | \$ 4,218                         | \$ 1,927,266          | \$ 2,084,137 | \$ 156,871                       | \$ 5,649,586             | \$ 5,816,106 | \$ 166,520                       |

**AUBURN VOCATIONAL SCHOOL DISTRICT - LAKE COUNTY  
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
 ALL PROPRIETARY FUND TYPES  
 FOR THE YEAR ENDED JUNE 30, 2000**

|                                    | Proprietary Fund Types |                              | Totals<br>(Memorandum<br>Only) |
|------------------------------------|------------------------|------------------------------|--------------------------------|
|                                    | Enterprise<br>Funds    | Internal<br>Service<br>Funds |                                |
| <b>OPERATING REVENUES:</b>         |                        |                              |                                |
| Tuition and fees                   | \$ 589,951             | \$ -                         | \$ 589,951                     |
| Food service                       | 103,991                | -                            | 103,991                        |
| Extracurricular activities         | -                      | 2,065                        | 2,065                          |
| Charges for services and materials | 64,592                 | -                            | 64,592                         |
| Total operating revenues           | <u>758,534</u>         | <u>2,065</u>                 | <u>760,599</u>                 |
| <b>OPERATING EXPENSES:</b>         |                        |                              |                                |
| Salaries and wages                 | 269,236                | -                            | 269,236                        |
| Fringe benefits                    | 244,531                | -                            | 244,531                        |
| Contractual services               | 130,131                | -                            | 130,131                        |
| Cost of sales                      | 229,861                | -                            | 229,861                        |
| Depreciation                       | 4,146                  | -                            | 4,146                          |
| Other operating expenses           | 6,197                  | 2,101                        | 8,298                          |
| Total operating expenses           | <u>884,102</u>         | <u>2,101</u>                 | <u>886,203</u>                 |
| Operating loss                     | <u>(125,568)</u>       | <u>(36)</u>                  | <u>(125,604)</u>               |
| <b>NON-OPERATING REVENUES:</b>     |                        |                              |                                |
| Operating grants                   | 7,926                  | -                            | 7,926                          |
| Miscellaneous                      | 59,626                 | -                            | 59,626                         |
| Earnings on investments            | 124                    | -                            | 124                            |
| Refund of prior year expenditures  | 60                     | -                            | 60                             |
| Total non-operating revenues       | <u>67,736</u>          | <u>-</u>                     | <u>67,736</u>                  |
| Net loss                           | <u>(57,832)</u>        | <u>(36)</u>                  | <u>(57,868)</u>                |
| <b>BEGINNING RETAINED EARNINGS</b> | <u>261,221</u>         | <u>1,015</u>                 | <u>262,236</u>                 |
| <b>ENDING RETAINED EARNINGS</b>    | <u>\$ 203,389</u>      | <u>\$ 979</u>                | <u>\$ 204,368</u>              |

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

**AUBURN VOCATIONAL SCHOOL DISTRICT - LAKE COUNTY**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL**  
**ALL PROPRIETARY FUND TYPES**  
**FOR THE YEAR ENDED JUNE 30, 2000**

|  | Enterprise Fund |            |                                  | Internal Service Fund |        |                                  | Totals (Memorandum Only) |            |                                  |
|--|-----------------|------------|----------------------------------|-----------------------|--------|----------------------------------|--------------------------|------------|----------------------------------|
|  | Budget          | Actual     | Variance Favorable (Unfavorable) | Budget                | Actual | Variance Favorable (Unfavorable) | Budget                   | Actual     | Variance Favorable (Unfavorable) |
| <b>OPERATING REVENUES</b>  |                 |            |                                  |                       |        |                                  |                          |            |                                  |
| Tuition and fees   | \$ 587,535      | \$ 587,537 | \$ 2                             | \$ -                  | \$ -   | \$ -                             | \$ 587,535               | \$ 587,537 | \$ 2                             |
| Food service   | 104,052         | 104,052    | -                                | -                     | -      | -                                | 104,052                  | 104,052    | -                                |
| Extracurricular activities   | -               | -          | -                                | 2,065                 | 2,065  | -                                | 2,065                    | 2,065      | -                                |
| Charges for services/materials                                     | 64,141          | 64,141     | -                                | -                     | -      | -                                | 64,141                   | 64,141     | -                                |
| Total operating revenues   | 755,728         | 755,730    | 2                                | 2,065                 | 2,065  | -                                | 757,793                  | 757,795    | 2                                |
| <b>OPERATING EXPENSES</b>  |                 |            |                                  |                       |        |                                  |                          |            |                                  |
| Salaries and wages   | 274,414         | 274,564    | (150)                            | -                     | -      | -                                | 274,414                  | 274,564    | (150)                            |
| Fringe benefits  | 251,899         | 245,899    | 6,000                            | -                     | -      | -                                | 251,899                  | 245,899    | 6,000                            |
| Contractual services   | 146,987         | 146,837    | 150                              | -                     | -      | -                                | 146,987                  | 146,837    | 150                              |
| Supplies and materials   | 237,848         | 247,721    | (9,873)                          | 466                   | 466    | -                                | 238,314                  | 248,187    | (9,873)                          |
| Capital outlay   | 6,577           | 6,577      | -                                | -                     | -      | -                                | 6,577                    | 6,577      | -                                |
| Other operating expenses   | 6,197           | 6,197      | -                                | 1,635                 | 1,635  | -                                | 7,832                    | 7,832      | -                                |
| Total operating expenses   | 923,922         | 927,795    | (3,873)                          | 2,101                 | 2,101  | -                                | 926,023                  | 929,896    | (3,873)                          |
| Operating loss   | (168,194)       | (172,065)  | (3,871)                          | (36)                  | (36)   | -                                | (168,230)                | (172,101)  | (3,871)                          |
| <b>NON-OPERATING REVENUE</b>                                       |                 |            |                                  |                       |        |                                  |                          |            |                                  |
| State sources:   |                 |            |                                  |                       |        |                                  |                          |            |                                  |
| Restricted grants-in-aid   | 311             | 311        | -                                | -                     | -      | -                                | 311                      | 311        | -                                |
| Federal sources:   |                 |            |                                  |                       |        |                                  |                          |            |                                  |
| Unrestricted grants-in-aid   | 8,698           | 8,698      | -                                | -                     | -      | -                                | 8,698                    | 8,698      | -                                |
| Refund of prior years expenditures                                 | 60              | 60         | -                                | -                     | -      | -                                | 60                       | 60         | -                                |
| Earnings on investments  | 124             | 124        | -                                | -                     | -      | -                                | 124                      | 124        | -                                |
| Advances-in  | 51,500          | 51,500     | -                                | -                     | -      | -                                | 51,500                   | 51,500     | -                                |
| Miscellaneous  | 59,626          | 59,626     | -                                | -                     | -      | -                                | 59,626                   | 59,626     | -                                |
| Total non-operating revenue  | 120,319         | 120,319    | -                                | -                     | -      | -                                | 120,319                  | 120,319    | -                                |
| Excess of revenues over expenses, advances and operating transfers | (47,875)        | (51,746)   | (3,871)                          | (36)                  | (36)   | -                                | (47,911)                 | (51,782)   | (3,871)                          |
| <b>FUND EQUITY - BEGINNING OF YEAR</b>                             | 225,515         | 225,515    | -                                | 1,015                 | 1,015  | -                                | 226,530                  | 226,530    | -                                |
| <b>PRIOR YEAR ENCUMBRANCE - APPROPRIATED</b>                       | 17,641          | 17,641     | -                                | -                     | -      | -                                | 17,641                   | 17,641     | -                                |
| <b>FUND EQUITY - END OF YEAR</b>                                   | \$ 195,281      | \$ 191,410 | \$ (3,871)                       | \$ 979                | \$ 979 | \$ -                             | \$ 196,260               | \$ 192,389 | \$ (3,871)                       |

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

**AUBURN VOCATIONAL SCHOOL DISTRICT - LAKE COUNTY  
 COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY FUND TYPES  
 FOR THE YEAR ENDED JUNE 30, 2000**

|   | <u>Proprietary Fund Types</u> |                                       | Totals<br>(Memorandum<br>Only) |
|---|-------------------------------|---------------------------------------|--------------------------------|
|   | <u>Enterprise<br/>Funds</u>   | <u>Internal<br/>Service<br/>Funds</u> |                                |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |                               |                                       |                                |
| Operating loss  | \$(125,568)                   | \$ (36)                               | \$ (125,604)                   |
| <b>ADJUSTMENTS TO RECONCILE OPERATING LOSS<br/>TO CASH FLOWS FROM OPERATING ACTIVITIES:</b> |                               |                                       |                                |
| Depreciation  | 4,146                         | -                                     | 4,146                          |
| Refund of prior year expenditures   | 60                            | -                                     | 60                             |
| Net (increase) decrease in assets:  |                               |                                       |                                |
| Accounts receivable   | (2,804)                       | -                                     | (2,804)                        |
| Due from other governments  | 1,083                         | -                                     | 1,083                          |
| Inventory   | (7,231)                       | -                                     | (7,231)                        |
| Net increase (decrease) in liabilities:   |                               |                                       |                                |
| Accrued expenses  | (6,696)                       | -                                     | (6,696)                        |
| Interfund payable   | 51,500                        | -                                     | 51,500                         |
| Total adjustments   | <u>40,058</u>                 | <u>-</u>                              | <u>40,058</u>                  |
| Net cash used in operating activities   | <u>(85,510)</u>               | <u>(36)</u>                           | <u>(85,546)</u>                |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>                                     |                               |                                       |                                |
| Operating grants received   | 7,926                         | -                                     | 7,926                          |
| Miscellaneous income  | 59,626                        | -                                     | 59,626                         |
| Net cash provided by non-capital financing activities                                       | <u>67,552</u>                 | <u>-</u>                              | <u>67,552</u>                  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                               |                                       |                                |
| Interest received   | <u>124</u>                    | <u>-</u>                              | <u>124</u>                     |
| Net decrease in cash and cash equivalents   | (17,834)                      | (36)                                  | (17,870)                       |
| <b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>  | <u>243,155</u>                | <u>1,015</u>                          | <u>244,170</u>                 |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>  | <u>\$ 225,321</u>             | <u>\$ 979</u>                         | <u>\$ 226,300</u>              |

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

**AUBURN VOCATIONAL SCHOOL DISTRICT  
LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS**

**DESCRIPTION OF THE DISTRICT**

The Auburn Vocational School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. Auburn Vocational School District is a joint vocational school district as defined by Section 3311.18 of the Ohio Revised Code. The District operates under an elected Board of Education (11 members) and is responsible for the provision of public education to residents of the District.

Average daily membership (ADM) as of June 30, 2000 was 602. The District employed 153 certificated employees and 54 non-certificated employees.

**DESCRIPTION OF REPORTING ENTITY, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**FINANCIAL REPORTING ENTITY**

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, the financial reporting entity consists of a primary government and its component units. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate and is fiscally independent of other state and local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds and account groups of those organizational entities for which its elected governing body is financially accountable. The District's major operations include education, pupil transportation, food service and maintenance of District facilities.

On this basis, the combined financial statements include all of the funds and account groups of the District over which the Board of Education exercises operating control. The District's financial statements include operations at Auburn Career Center and a community and home service program at Quail Hollow.

The District participates in two jointly governed organizations that are further described in the notes to the financial statements.

**BASIS OF PRESENTATION**

The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applicable to governments.

The financial transactions of the District are recorded in individual funds and account groups. The various funds and account groups are reported by type in the general purpose financial statements. Amounts in the "totals - memorandum only" columns in the general purpose financial statements represent a summation of the combined financial statement line items of the fund types and account groups and are presented only for analytical purposes. The summation includes fund types and account groups that use different basis of accounting, interfund transactions that have not been eliminated and the caption "amounts to be provided", which does not represent an asset. Consequently, amounts shown in the "totals - memorandum only" columns are not comparable to a consolidation and do not represent the total resources available or total revenues and expenditures/expenses of the District.

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

**AUBURN VOCATIONAL SCHOOL DISTRICT  
LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**DESCRIPTION OF REPORTING ENTITY, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**GOVERNMENTAL FUNDS**

Governmental Fund Types are accounted for on a flow of current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their operating statements present sources (revenues and other financing sources) and uses (expenditures and other financing uses) of "available spendable resources" during a period.

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

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

Capital Projects Fund - Capital Projects Fund accounts 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 FUNDS**

Proprietary Fund Types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund measurement focus is based upon determination of net income, financial position and cash flows.

**PROPRIETARY FUNDS (CONTINUED)**

Enterprise Funds - Enterprise Funds account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods and 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 purpose.

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

**FIDUCIARY FUNDS**

Trust and Agency Funds - Trust and Agency Funds account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include (a) Expendable Trust Funds, (b) Nonexpendable Trust Funds, and (c) Agency Funds.

**AUBURN VOCATIONAL SCHOOL DISTRICT  
LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**DESCRIPTION OF REPORTING ENTITY, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BASIS OF PRESENTATION (CONTINUED)**

**ACCOUNT GROUPS**

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

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

**General Long-Term Debt Account Group** - This account group is established to account for all long-term obligations of the School District except those accounted for in the proprietary or trust funds.

**BASIS OF ACCOUNTING**

Governmental and Fiduciary Fund Types are accounted for on the modified accrual basis of accounting. Governmental revenues are recognized when they become measurable and available to finance expenditures of the current period. Revenue items, which are susceptible to accrual and, therefore, are recorded as receivables, include property taxes and reimbursable-type grants. Expenditures are recognized when the related fund liability is incurred, with the exception of accumulated unpaid employee compensation, which is not payable from current expendable financial resources.

Proprietary Fund Types are accounted for on the accrual basis of accounting. Their revenues are recognized in the period earned and expenses are recognized in the period incurred. There were no unbilled service charges receivable at year end.

Pursuant to GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting", the District follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

**BUDGETARY BASIS OF ACCOUNTING**

The District is required by State statute to adopt an annual appropriated budget for all fund types except agency funds. The specific timetable is as follows:

1. Prior to January 15 of the preceding fiscal year, the Treasurer submits 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.
2. By no later than January 20, the board-adopted budget is filed with the Lake County Budget Commission (the "Commission") for tax rate determination.

**AUBURN VOCATIONAL SCHOOL DISTRICT  
LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**DESCRIPTION OF REPORTING ENTITY, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BUDGETARY BASIS OF ACCOUNTING (CONTINUED)**

3. Prior to March 15, the Board of Education accepts, by formal resolution, the tax rates as determined by the 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 of estimated resources 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's Treasurer.
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 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.
6. Formal budgetary integration is to be employed as a management control device during the year for all funds consistent with statutory provision.
7. Appropriation amounts are amended by the Board of Education through the year by supplemental appropriations, which either reallocate or increase the original appropriated amounts.
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.

The District's budget (budget basis) accounts for certain transactions on a basis, which differs from generally accepted accounting principles (GAAP basis). The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash for budget purposes as opposed to when susceptible to accrual for GAAP purposes.
2. Expenditures are recorded when paid in cash or encumbered for budget purposes as opposed to when the liability is susceptible to accrual for GAAP purposes.



**AUBURN VOCATIONAL SCHOOL DISTRICT  
LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**DESCRIPTION OF REPORTING ENTITY, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BUDGETARY BASIS OF ACCOUNTING (CONTINUED)**

An analysis of the difference in fund balance for all governmental and proprietary fund types at June 30, 2000 as determined under the GAAP basis and budget basis follows:

|  | General<br>Fund     | Special<br>Revenue<br>Fund | Capital<br>Projects<br>Fund | Enterprise<br>Fund | Internal<br>Service<br>Fund |
|--|---------------------|----------------------------|-----------------------------|--------------------|-----------------------------|
| GAAP basis - fund balance                                | \$ 3,968,745        | \$ 295,823                 | \$ 2,432,705                | \$ 203,389         | \$ 979                      |
| Adjustments for GAAP basis:                              |                     |                            |                             |                    |                             |
| Adjustment for revenue                                   | (116,295)           | (805)                      | -                           | -                  | -                           |
| Accrued revenue/prepaid expenses at June 30, 2000        | (5,477,555)         | -                          | -                           | (43,777)           | -                           |
| Accrued expenditures/deferred revenues at June 30, 2000  | 4,997,159           | 280,710                    | -                           | 65,709             | -                           |
| Encumbrances outstanding at June 30, 2000 (budget basis) | (117,876)           | (97,937)                   | (348,568)                   | (33,911)           | -                           |
| Budget basis - fund balance                              | <u>\$ 3,254,178</u> | <u>\$ 477,791</u>          | <u>\$ 2,084,137</u>         | <u>\$ 191,410</u>  | <u>\$ 979</u>               |

**ENCUMBRANCES**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control. Encumbrances are reported as a reservation of fund balance in all Governmental and Fiduciary Fund Types.

**CASH AND CASH EQUIVALENTS**

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 District records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the combined balance sheet.

During fiscal year 2000, all investments of the District had a maturity of two years or less. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

The District has invested funds in the State Treasury Assets Reserve (STAR Ohio) during fiscal year 2000. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with 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, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2000 amounted to \$ 270,554.

**AUBURN VOCATIONAL SCHOOL DISTRICT  
LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**DESCRIPTION OF REPORTING ENTITY, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 District are considered to be cash equivalents. Investments with an original maturity of more than three months that are not made from the pool are considered to be investments.

**RESTRICTED CASH**

Restricted assets in the general fund represent cash and cash equivalents set aside to establish statutory stabilization reserves. These reserves are required by State statute and can be used only for qualifying expenditures or after receiving approval from the State. Fund balance reserves have also been established.

**INVENTORY**

Inventories are valued at cost, which approximates market, using the first-in, first-out method (FIFO) and are determined by physical count. Inventory in Governmental Fund Types consists of expendable supplies held for consumption. The cost of inventory items is recognized as an expenditure when used (consumption method). Reported inventories in the general fund are equally offset by a fund balance reserve, which indicates they are unavailable for appropriation.

**PREPAID ITEMS**

Payments made to vendors for services that will benefit periods beyond June 30, 2000 are recorded as prepaid items.

**FIXED ASSETS AND DEPRECIATION**

**General Fixed Assets Account Group** - General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost when historical records are available and at an estimated historical cost when no historical cost records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The School District follows the policy of not capitalizing assets with a cost of less than \$ 500. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized. The School District does not possess any infrastructure.

**Proprietary Funds** - Equipment reflected in the Proprietary Funds is stated at historical cost (or estimated historical cost) and updated for the cost of additions and retirements during the year. Contributed equipment is recorded at its fair market value as of the date donated. Depreciation has been provided on a straight-line basis for equipment over the following useful lives:

|  | <u>Asset</u>                            | <u>Life (Years)</u> |
|--|---|---------------------|
|  | Fixed equipment                         | 10                  |
|  | Furniture, fixtures and minor equipment | 5 - 15              |
|  | Vehicles                                | 5 - 15              |

**AUBURN VOCATIONAL SCHOOL DISTRICT  
LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**DESCRIPTION OF REPORTING ENTITY, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**INTERGOVERNMENTAL REVENUES**

**Entitlements and Non-Reimbursable Grants**

**General Fund**

State Foundation Program

**Special Revenue Funds**

Innovative Education Program Strategy

Vocational Education

Adult and Community Education

Goals 2000

Eisenhower Science and Math

Pell

**Reimbursable Grants**

**General Fund**

Vocational Education

**Proprietary Fund**

National School Lunch Program

Government Donated Commodities

National School Breakfast Program

Special Milk Program

In governmental funds, entitlements and non-reimbursable grants are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants for proprietary fund operations are recognized as revenue when measurable and earned. The School District currently participates in various State and Federal programs, categorized as follows:

**INTERFUND TRANSACTIONS**

During the course of normal operations, the District has numerous transactions between funds, including expenditures and transfers of resources to provide services and improve assets. Operating subsidies are recorded as operating transfers. The classification of amounts recorded as subsidies, advances or equity contributions is based on the intent of the District at the time of the transaction.

**LONG-TERM DEBT**

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 obligation is reported in the general long-term debt account group.

**AUBURN VOCATIONAL SCHOOL DISTRICT  
LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**DESCRIPTION OF REPORTING ENTITY, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**FUND BALANCE RESERVES**

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 prepaid expenses, materials and supplies inventory, statutory reserves and encumbrances. The unreserved portions of fund equity reflected for the Governmental Fund Types are available for use within the specific purposes of those funds.

**DEFICIT FUND BALANCE**

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

| <u>Special Revenue Funds:</u> | <u>Deficit<br/>Fund Balance</u> |
|-------------------------------|---------------------------------|
| Consumer Education            | \$ (1,044)                      |
| Family and Children Wellness  | \$ (7,656)                      |
| VEPB/Audit                    | \$ (14)                         |

The deficit balances in the Special Revenue Fund are caused by timing differences in the recording of revenues and accruing of expenditures.

**EQUITY IN POOLED CASH AND CASH INVESTMENTS**

State statutes classify monies held by the 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 District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

**AUBURN VOCATIONAL SCHOOL DISTRICT  
LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**EQUITY IN POOLED CASH AND CASH INVESTMENTS (CONTINUED)**

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked-to-market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio); and
7. Certain banker's acceptance and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

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 until 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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**AUBURN VOCATIONAL SCHOOL DISTRICT  
LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**EQUITY IN POOLED CASH AND INVESTMNTS (CONTINUED)**

At June 30, 2000, the District's general fund had a balance of \$122,191 with Lake County Council of Governments Health Care Benefits Program, a claims servicing pool (See Note). The money is held by the claims servicer in a pooled account which is representative of numerous entities and, therefore, cannot be classified by risk under GASB No. 3. The classification of cash and cash equivalents and investments for the Lake County Council of Governments Health Care Benefits Program Self Insurance Plan as a whole may be obtained from the Plan's fiscal agent, the Mentor City School District. To obtain financial information, write to Mr. James Metz, Treasurer, Mentor City School District, 6451 Center Street, Mentor, Ohio 44060.

GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase), and Reverse Repurchase Agreements", requires disclosures to help assess actual and potential future deposit and investment market and credit risks. The following information regarding deposits and investments is presented using the categories of risk identified in GASB Statement No. 3.

- (a) Deposits - At year end the carrying amount of the District's deposits was \$ 1,348,759 and the bank balance was \$ 1,482,714. The bank balance is categorized as follows:

|   |              |
|---|--------------|
| Amount insured by the FDIC.   | \$ 1,299,000 |
| Collateralized with securities held by the pledging financial institution's trust department but not in the name of Auburn Vocational School District | \$ 38,213    |

- (b) Investments - Investments made by the District as of June 30, 2000 are summarized below and are recorded at market value. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

- Category 1 - Insured or registered, or investments held by the District or its agents in the District's name.
- Category 2 - Uninsured and unregistered, with investments held by the counterparty's trust department or agent in the District's name.
- Category 3 - Uninsured and unregistered, with investments held by the counterparty, or by its trust department or agent, but not in the District's name.

|  | Amortized<br>Cost | Fair<br>Value | Unrealized<br>Gain (Loss) |
|--|-------------------|---------------|---------------------------|
| Federal National Mortgage Association (Category 1)       | \$ 1,637,565      | \$ 1,732,198  | \$ 94,633                 |
| Federal Home Loan Mortgage Corporation (Category 1)      | 823,500           | 817,430       | (6,070)                   |
| Federal Home Loan Bank Note (Category 1)                 | 1,923,600         | 1,899,055     | (24,545)                  |
| Federal Farm Credit Bank (Category 1)                    | 200,000           | 197,575       | (2,425)                   |
| Investment in STAR Ohio                                  | 86,416            | 86,416        | -                         |
| Investment in Centennial Money Market Trust (Category 3) | 691,626           | 691,626       | -                         |
| Total  | \$ 5,362,707      | \$ 5,424,300  | \$ 61,593                 |

STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

**AUBURN VOCATIONAL SCHOOL DISTRICT  
LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**PROPERTY TAXES**

Real property taxes are levied on assessed values which equal 35% of appraised value. The county auditor reappraises all real property every six years with a triennial update. The last update was completed for tax year 1996.

Real property taxes become a lien on all non-exempt real property located in the county on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due January 20; if paid semiannually, the first payment is due January 20 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

The full tax rate applied to real property for the fiscal year ended June 30, 2000 was \$ 1.50 per \$ 1,000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$ 1.50 per \$ 1,000 of assessed valuation for real property classified as residential/agricultural and \$ 1.50 per \$ 1,000 of assessed valuation for all other real property. Real property owners' tax bills are further reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the District by the State of Ohio.

Owners of tangible personal property are required to file a list of such property, including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost. The tax rate applied to tangible personal property for the fiscal year ended June 30, 2000 was \$ 1.50 per \$ 1,000 of assessed valuation.

|                                | <u>Lake County</u>          | <u>Geauga County</u>        |
|--------------------------------|-----------------------------|-----------------------------|
| Real Property - 1999 valuation |                             |                             |
| Residential/Agricultural       | \$ 1,069,627,470            | \$ 1,146,161,820            |
| Commercial/Industrial          | <u>311,287,000</u>          | <u>167,220,530</u>          |
|                                | <u>1,380,914,470</u>        | <u>1,313,382,350</u>        |
| Tangible Personal Property     |                             |                             |
| General                        | 234,128,214                 | 123,681,050                 |
| Public Utilities               | <u>470,434,550</u>          | <u>64,176,740</u>           |
|                                | <u>704,562,764</u>          | <u>187,857,790</u>          |
| <br>Total valuation            | <br><u>\$ 2,085,477,234</u> | <br><u>\$ 1,501,240,140</u> |

The County Treasurer collects property tax on behalf of all taxing districts within the county. The County Auditor periodically remits to the taxing districts their portions of the taxes collected.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes, which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is, therefore, offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30 is recognized as revenue. The amount available to the District as an advance at June 30, 2000 was \$ 357,416.

**AUBURN VOCATIONAL SCHOOL DISTRICT  
LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**FIXED ASSETS**

A summary of the Enterprise Funds' fixed assets at June 30, 2000 follows:

|                               |                         |
|-------------------------------|-------------------------|
| Furniture and equipment       | \$ 85,895               |
| Less accumulated depreciation | <u>74,789</u>           |
| Net fixed assets              | <u><u>\$ 11,106</u></u> |

Depreciation expense recognized in the Enterprise Fund totaled \$ 4,146.

A summary of the changes in the general fixed assets follows:

|                            | Balance              |                   |                    | Balance              |
|----------------------------|----------------------|-------------------|--------------------|----------------------|
|                            | 30-Jun-99            | Additions         | Disposals          | June 30, 2000        |
| Land                       | \$ 766,253           | \$ 6,353          | \$ (58,600)        | \$ 714,006           |
| Building and improvements  | 9,034,581            | 145,970           | -                  | 9,180,551            |
| Furniture and equipment    | 4,447,338            | 306,116           | (6,756)            | 4,746,698            |
| Vehicles                   | 97,535               | 48,386            | -                  | 145,921              |
| Catering kitchen equipment | 24,697               | -                 | -                  | 24,697               |
| Total                      | <u>\$ 14,370,404</u> | <u>\$ 506,825</u> | <u>\$ (65,356)</u> | <u>\$ 14,811,873</u> |

**SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The District maintains four enterprise funds to account for the food service operations, adult education program operated on a tuition basis, uniform school supplies sales and Rotary special services. The table below reflects, in a summarized format, the more significant financial data relating to the enterprise funds of the Auburn Vocational School District for the year ended June 30, 2000:

|  | Food        | Adult       | Uniform            | Rotary              | Totals       |
|--|-------------|-------------|--------------------|---------------------|--------------|
|  | Service     | Education   | School<br>Supplies | Special<br>Services |              |
| Operating revenues                     | \$ 104,052  | \$ 590,341  | \$ 64,141          | \$ -                | \$ 758,534   |
| Operating expenses before depreciation | \$ 119,478  | \$ 633,262  | \$ 67,843          | \$ 59,373           | \$ 879,956   |
| Depreciation                           | \$ 1,344    | \$ 2,802    | \$ -               | \$ -                | \$ 4,146     |
| Operating loss                         | \$ (16,770) | \$ (45,723) | \$ (3,702)         | \$ (59,373)         | \$ (125,568) |
| Operating grants                       | \$ 7,926    | \$ -        | \$ -               | \$ -                | \$ 7,926     |
| Refund of prior year expenditures      | \$ -        | \$ 60       | \$ -               | \$ -                | \$ 60        |
| Earnings on investments                | \$ 124      | \$ -        | \$ -               | \$ -                | \$ 124       |
| Miscellaneous                          | \$ -        | \$ -        | \$ -               | \$ 59,626           | \$ 59,626    |
| Net income (loss)                      | \$ (8,720)  | \$ (45,663) | \$ (3,702)         | \$ 253              | \$ (57,832)  |
| Net working capital                    | \$ 1,657    | \$ (3,721)  | \$ 112,133         | \$ 82,214           | \$ 192,283   |
| Total assets                           | \$ 4,673    | \$ 70,078   | \$ 112,133         | \$ 82,214           | \$ 269,098   |
| Total liabilities                      | \$ (1,500)  | \$ (64,209) | \$ -               | \$ -                | \$ (65,709)  |
| Total equity                           | \$ 3,173    | \$ 5,869    | \$ 112,133         | \$ 82,214           | \$ 203,389   |



**AUBURN VOCATIONAL SCHOOL DISTRICT  
LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**DEFINED BENEFIT PENSION PLANS**

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, or by calling (614) 222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The 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, 2000, 1999 and 1998 were \$ 102,512, \$ 96,093 and \$ 88,797, respectively equal to the required contributions for each year.

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

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent. 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 District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999 and 1998 were \$ 465,957, \$ 436,951 and \$ 401,805, respectively equal to the required contributions for each year.

**POST EMPLOYMENT 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-certificated 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.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2000, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$ 266,261 for fiscal year 2000.

**AUBURN VOCATIONAL SCHOOL DISTRICT  
LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**POST EMPLOYMENT BENEFITS (CONTINUED)**

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

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2000, employer contributions to fund health care benefits were 8.5 percent of covered payroll, an increase 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 was established at \$ 12,400. For the District, the amount contributed to fund health care benefits, including the surcharge, during the 2000 fiscal year equaled \$ 66,339.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 1999 (the latest information available), were \$ 126,380,984 and the target level was \$ 189.6 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$ 188.0 million. SERS has approximately 51,000 participants currently receiving health care benefits.

**OTHER EMPLOYEE BENEFITS - COMPENSATED ABSENCES**

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn five to twenty days of vacation per year depending upon length of service. Vacation days are credited to classified employees on June 1 of each year. Accumulated unused vacation is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to the number of annual work days per contract plus ninety. Upon retirement, payment is made for one-fourth of the total sick leave accumulation up to 240 days, or a maximum of 60 days.

According to GASB Statement 16, accumulated vacation and sick leave of Governmental Fund type employees meeting the eligibility requirements have been recorded in the appropriate Governmental Funds as a current liability to the extent that the amounts are expected to be payable within the current period. The balance of the liability is recorded in the General Long-Term Debt Account Group. Vacation and sick leave for employees paid from Proprietary Funds is recorded as an expense when earned or accrued. The District calculates sick leave using the vesting method based on accumulated benefits as of June 30, 2000.

**AUBURN VOCATIONAL SCHOOL DISTRICT  
LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**NOTE PAYABLE**

The District borrowed \$ 192,767 on June 1, 1999 for energy conservation at 3.75% with a maturity date of July 1, 2009. Future debt requirements is as follows:

| Year | Principal         | Interest         | Total             |
|------|-------------------|------------------|-------------------|
| 2001 | \$ 16,243         | \$ 7,229         | \$ 23,472         |
| 2002 | 16,852            | 6,620            | 23,472            |
| 2003 | 17,484            | 5,988            | 23,472            |
| 2004 | 18,140            | 5,332            | 23,472            |
| 2005 | 18,820            | 4,652            | 23,472            |
| 2006 | 19,525            | 3,946            | 23,471            |
| 2007 | 20,258            | 3,214            | 23,472            |
| 2008 | 21,017            | 2,454            | 23,471            |
| 2009 | 21,805            | 1,666            | 23,471            |
| 2010 | 22,623            | 848              | 23,471            |
|      | <u>\$ 192,767</u> | <u>\$ 41,949</u> | <u>\$ 234,716</u> |

**LONG-TERM DEBT**

The non-current portion of compensated absences and note payable are summarized below. Compensated absences will be paid from the fund from which the person is paid.

|                      | Balance<br>June 30,<br>1999 | Increase<br>(Decrease) | Balance<br>June 30,<br>2000 |
|----------------------|-----------------------------|------------------------|-----------------------------|
| Compensated absences | \$ 162,016                  | \$ (18,326)            | \$ 143,690                  |
| Note payable         | -                           | 192,767                | 192,767                     |
| Total long-term debt | <u>\$ 162,016</u>           | <u>\$ 174,441</u>      | <u>\$ 336,457</u>           |

**INTERFUND TRANSACTIONS**

Interfund balances at June 30, 2000 consist of the following individual fund receivables and payables:

|                      | <u>Receivables</u> | <u>Payables</u>   |
|----------------------|--------------------|-------------------|
| General Fund         | \$ 295,314         | \$ -              |
| Special Revenue Fund | -                  | 243,814           |
| Enterprise Fund      | -                  | 51,500            |
|                      | <u>\$ 295,314</u>  | <u>\$ 295,314</u> |

**AUBURN VOCATIONAL SCHOOL DISTRICT  
LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**INTERFUND TRANSACTIONS (CONTINUED)**

A summary of interfund transfers made during 2000 by fund is as follows:

|                      | Transferred<br>To | Transferred<br>From |
|----------------------|-------------------|---------------------|
| General Fund         | \$ -              | \$ 1,355,207        |
| Special Revenue Fund | 21,619            | -                   |
| Capital Projects     | 1,333,588         | -                   |
|                      | \$ 1,355,207      | \$ 1,355,207        |

**JOINTLY GOVERNED ORGANIZATIONS**

The Lake-Geauga Computer Association (LGCA) is a jointly governed organization among two county consortium of Ohio school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools supports LGCA based on a per pupil charge. The District contributed \$ 48,921 to LGCA during fiscal year 2000. LGCA is governed by an Assembly consisting of two representatives from each participating school district. The degree of control exercised by any participating school district is limited to its representation on the Assembly. Financial information can be obtained by contacting the Treasurer at the Geauga County Educational Service Center, who serves as the fiscal agent at 470 Center Street, Chardon, OH 44024.

The Ohio Schools Council Association (Council) is a jointly governed organization among eighty-two school districts. The jointly governed organization was formed to bring quality products and services at the lowest possible cost to the member districts. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2000, the District paid \$ 700 to the Council. Financial information can be obtained by contacting Joseph Lesak, the Executive Secretary of the Ohio Schools Council at 6376 Mill Road, Broadview Heights, Ohio 44147.

The District participates in the Council's electric purchase program, which was implemented during fiscal year 1998. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating for an eight-year period. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

Energy Acquisition Corporation, a non-profit corporation with a self-appointing board, issued \$ 119,140,000 in debt to prepurchase eight years of electricity from Cleveland Electric Illuminating (CEI) for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates their agreement, they are required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corporation.

**AUBURN VOCATIONAL SCHOOL DISTRICT  
LAKE COUNTY  
(NOTES TO FINANCIAL STATEMENTS (CONTINUED))**

**CLAIMS SERVICING POOL**

Lake County Council of Governments Health Care Benefits Program (HCBP) Self Insurance Program – The District participates in Lake County Council of Governments Health Care Benefits Program (HCBP) Self Insurance Program, a claims servicing pool, comprised of eleven members. Each member pays an administrative fee to the pool. The Plan’s business and affairs are conducted by a five-member Board of Directors elected from the HCBP’s assembly. All participating members retain their risk and the Plan acts as the claims servicing agent.

**RISK MANAGEMENT**

The 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 District contracted with Republic Franklin Insurance Co. for property and general liability insurance. There is a \$ 500 deductible with a 90% co-insurance.

Umbrella liability is protected by Nationwide Insurance with a \$ 4,000,000 single occurrence limit with a \$ 10,000 deductible. Vehicles are also covered by Nationwide Insurance and have a \$ 500 deductible for comprehensive collision. Automobile liability has a \$ 2,000,000 combined single limit of liability. Settled claims have not exceeded this commercial coverage in any of the past five years.

The District has elected to provide medical coverage through a self insured program. The District uses the general fund to account for and finance its uninsured risks of loss in this program. The claims are serviced through the Lake County Council of Governments Health Care Benefits Program. The Lake County Council of Governments Health Care Benefits Program has stop loss coverage of 110% of expected claims. The claims liability of \$ 38,214 reported in the general fund at June 30, 2000 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund’s claims liability amount was:

|      | Balance at<br>Beginning<br>of Year | Current<br>Year<br>Claims | Claim<br>Payments | Balance at<br>End of<br>Year |
|------|------------------------------------|---------------------------|-------------------|------------------------------|
| 2000 | \$ 35,607                          | \$ 372,418                | \$ 369,811        | \$ 38,214                    |
| 1999 | \$ 30,577                          | \$ 366,245                | \$ 361,215        | \$ 35,607                    |

**OSBA GROUP RATING PROGRAM**

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), 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 Ohio School Boards Association. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

**AUBURN VOCATIONAL SCHOOL DISTRICT  
LAKE COUNTY  
(NOTES TO FINANCIAL STATEMENTS (CONTINUED))**

**OSBA GROUP RATING (CONTINUED)**

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

**CONTINGENT LIABILITIES**

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, 2000.

The District was named as defendant in court actions during the period ended June 30, 2000. Management does not believe that the ultimate resolution of these cases will have a material impact on the general purpose financial statements.

**STATE SCHOOL FUNDING DECISION**

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to this District. During the fiscal year ended June 30, 2000, the District received \$ 1,767,636 school foundation support for its general fund.

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

**AUBURN VOCATIONAL SCHOOL DISTRICT  
LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**STATE SCHOOL FUNDING DECISION (CONTINUED)**

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

As of the date of these financial statements, the 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.

**PROPERTY TAX REFUNDS**

On November 6, 1999, the Ohio Board of Tax Appeals issued its decision in the case of Duquesne Light Company, an electric utility and part owner of the Perry Nuclear Power Plant. The decision ordered personal property refunds based on reduction in taxable value of about \$ 145 million. This decision was immediately appealed to the Ohio Supreme Court.

The implications raised by Duquesne are far reaching and can result in refund claims for 1988 – 1993 and additional claims being filed by other electric companies and other utilities. As of the date of these financial statements, the District is unable to determine what effect, if any, this decision will have on tax revenue or possible payments of tax refunds.

**STATUTORY RESERVES**

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

|                         | Textbook<br>Rederve | Capital<br>Maintennace<br>Reserve | Budget<br>Stabilization<br>Reserve | Total             |
|-------------------------|---------------------|-----------------------------------|------------------------------------|-------------------|
| Balance, July 1, 1999   | \$ -                | \$ -                              | \$ 101,980                         | \$ 101,980        |
| Required set-aside      | 180,157             | 180,157                           | 60,052                             | 420,366           |
| Offset credits          | -                   | -                                 | (48,386)                           | (48,386)          |
| Qualifying expenditures | (174,320)           | (179,508)                         | -                                  | (353,828)         |
| Balance, June 30, 2000  | <u>\$ 5,837</u>     | <u>\$ 649</u>                     | <u>\$ 113,646</u>                  | <u>\$ 120,132</u> |

**Report on Compliance and on Internal Control over Financial Reporting  
Based on an Audit of Financial Statements Performed in Accordance with  
Government Auditing Standards**

Board of Education  
Auburn Vocational School District - Lake County  
Concord Township, Ohio

We have audited the financial statements of Auburn Vocational School District (the "District") as of and for the year ended June 30, 2000, and have issued our report thereon dated December 6, 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 general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the 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 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.

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

S. R. Snodgrass, A.C.

Mentor, Ohio  
December 6, 2000



**Report on Compliance with Requirements Applicable to Each Major  
Program and Internal Control over Compliance in Accordance with  
OMB Circular A-133**

Board of Education  
Auburn Vocational School District - Lake County  
Concord Township, Ohio

**Compliance**

We have audited the compliance of Auburn Vocational School District (the "District") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2000. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the 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 with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, Auburn Vocational School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 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 solely for the information and use of management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

S. R. Snodgrass, A. C.

Mentor, Ohio  
December 6, 2000

**AUBURN VOCATIONAL SCHOOL DISTRICT - LAKE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2000**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

***Financial Statements***

|   |               |
|---|---------------|
| Type of auditors’ report issued:  | Unqualified   |
| Internal control over financial reporting:  |               |
| • Material weaknesses identified?   | No            |
| • Reportable conditions identified that are not considered to be material weaknesses? | None Reported |
| Noncompliance material to financial statements noted?                                 | No            |

***Federal Awards***

|  |   |
|--|---|
| Internal control over major programs:  |   |
| • Material weaknesses identified?  | No  |
| • Reportable conditions identified that are not considered to be material weaknesses?                              | None Reported   |
| Type of Auditors’ report issued on compliance for major programs?  | Unqualified   |
| Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | No  |
| Identification of major program:   |   |
| <u>CFDA Numbers</u><br>84.048  | <u>Name of Federal Program or Cluster</u><br>Vocational Education |
| Dollar threshold used to distinguish between type A and type B programs:   | \$ 300,000  |
| Auditee qualified as low-risk auditee?   | Yes   |

**Section II - Financial Statement Findings**

None

**Section III - Federal Award Findings and Questioned Costs**

None

**AUBURN VOCATIONAL SCHOOL DISTRICT - LAKE COUNTY  
 SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH  
 FOR THE YEAR ENDED JUNE 30, 2000**

| <b>FEDERAL GRANTOR/PASS-THROUGH<br/>GRANTOR/PROGRAM OR CLUSTER TITLE</b>                       | Federal<br>CFDA<br>Number | Pass-Through<br>Entity Number | Receipts     | Non-cash<br>Receipts | Disburse-<br>ments | Non-cash<br>Disburse-<br>ments |
|--|---------------------------|-------------------------------|--------------|----------------------|--------------------|--------------------------------|
| <b><u>U.S. DEPARTMENT OF AGRICULTURE/<br/>PASSED THROUGH STATE DEPARTMENT OF EDUCATION</u></b> |                           |                               |              |                      |                    |                                |
| Food Distribution  | 10.550                    | N/A                           | \$ -         | \$ 4,118             | \$ -               | \$ 4,118                       |
| School Breakfast Program   | 10.553                    | 051169-05-PU-99               | 343          | -                    | 343                | -                              |
|  | 10.553                    | 051169-05-PU-00               | 912          | -                    | 912                | -                              |
|  |                           |                               | <u>1,255</u> | <u>-</u>             | <u>1,255</u>       | <u>-</u>                       |
| School Lunch Program   | 10.555                    | 051169-03-PU-99               | 722          | -                    | 722                | -                              |
|  | 10.555                    | 051169-04-PU-00               | 1,962        | -                    | 1,962              | -                              |
|  | 10.555                    | 051169-04-PU-99               | 1,135        | -                    | 1,135              | -                              |
|  | 10.555                    | 051169-03-PU-00               | 3,483        | -                    | 3,483              | -                              |
|  |                           |                               | <u>7,302</u> | <u>-</u>             | <u>7,302</u>       | <u>-</u>                       |
| Special Milk Program   | 10.556                    | 051169-02-PU-99               | 29           | -                    | 29                 | -                              |
|  | 10.556                    | 051169-02-PU-00               | 113          | -                    | 113                | -                              |
|  |                           |                               | <u>142</u>   | <u>-</u>             | <u>142</u>         | <u>-</u>                       |
| Total - U.S. Department of Agriculture Child Nutrition Cluster                                 |                           |                               | <u>8,699</u> | <u>4,118</u>         | <u>8,699</u>       | <u>4,118</u>                   |

See accompanying Notes to the Supplemental Schedule of Expenditures of Federal Awards - Cash

**AUBURN VOCATIONAL SCHOOL DISTRICT - LAKE COUNTY**  
**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2000**

| <b>FEDERAL GRANTOR/PASS-THROUGH<br/>GRANTOR/PROGRAM OR CLUSTER TITLE</b> | Federal<br>CFDA<br>Number | Pass-Through<br>Entity Number | Receipts   | Non-cash<br>Receipts | Disburse-<br>ments | Non-cash<br>Disburse-<br>ments |
|--|---------------------------|-------------------------------|------------|----------------------|--------------------|--------------------------------|
| <b><u>U.S. DEPARTMENT OF EDUCATION</u></b>                               |                           |                               |            |                      |                    |                                |
| <u>Direct Program:</u>   |                           |                               |            |                      |                    |                                |
| Pell Grant   | 84.063                    | N/A                           | 33,375     | -                    | 33,375             | -                              |
| <u>Passed Through State Department of Education:</u>                     |                           |                               |            |                      |                    |                                |
| Adult and Community Education  | 84.002                    | 051169-AB-S1-99               | -          | -                    | 3,613              | -                              |
|  | 84.002                    | 051169-AB-SL-00               | 16,779     | -                    | 16,779             | -                              |
|  |                           |                               | 16,779     | -                    | 20,392             | -                              |
| Vocational Education   | 84.048                    | 051169-20-C1-99               | 21,571     | -                    | 68,331             | -                              |
|  | 84.048                    | 051169-20-C1-00               | 228,887    | -                    | 216,924            | -                              |
|  | 84.048                    | 051169-20-C2-99               | 7,807      | -                    | 20,247             | -                              |
|  | 84.048                    | 051169-20-C2-00               | 43,353     | -                    | 51,009             | -                              |
|  |                           |                               | 301,618    | -                    | 356,511            | -                              |
| Goals 2000   | 84.276                    | 051169-G2-S5-00               | 50,000     | -                    | 48,750             | -                              |
| Eisenhower Math/Science  | 84.281                    | 051169-MS-S1-99               | -          | -                    | 933                | -                              |
|  | 84.281                    | 051169-MS-S1-00               | 887        | -                    | -                  | -                              |
|  |                           |                               | 887        | -                    | 933                | -                              |
| Innovative Education Program Strategy                                    | 84.298                    | 051169-C2-S1-98               | -          | -                    | 30                 | -                              |
|  | 84.298                    | 051169-C2-S1-99C              | 255        | -                    | -                  | -                              |
|  | 84.298                    | 051169-C2-S1-00               | 1,783      | -                    | 1,317              | -                              |
|  |                           |                               | 2,038      | -                    | 1,347              | -                              |
| Total Passed Through State Department of Education                       |                           |                               | 371,322    | -                    | 427,933            | -                              |
| Total U.S. Department of Education                                       |                           |                               | 404,697    | -                    | 461,308            | -                              |
| Total Expenditures of Federal Awards                                     |                           |                               | \$ 413,396 | \$ 4,118             | \$ 470,007         | \$ 4,118                       |

See accompanying Notes to the Supplemental Schedule of Expenditures of Federal Awards - Cash

**AUBURN VOCATIONAL SCHOOL DISTRICT - LAKE COUNTY**  
**NOTES TO THE SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH**

**BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards - cash includes the federal grant activity of Auburn Vocational School District and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

**NONCASH SUPPORT**

The District receives noncash support in the form of food subsidies from the National School Lunch Program (NSLP), CFDA 10.550. The value of the food subsidies is determined by using the fair market value of the food items as quoted by local food suppliers.

**AUBURN VOCATIONAL SCHOOL DISTRICT - LAKE COUNTY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2000**

**None**



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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Facsimile 614-466-4490

**AUBURN VOCATIONAL SCHOOL DISTRICT**

**LAKE 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  
FEBRUARY 6, 2001**