

BATH LOCAL SCHOOL DISTRICT

10202-03-0020-00

**NORTHWEST REGION, DISTRICT 2
ALLEN COUNTY**

JULY 1, 1998 THROUGH JUNE 30, 1999

Bath Local School District
Allen County
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OFFICE OF THE AUDITOR

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Board of Education
Bath Local School District
Allen County, Ohio

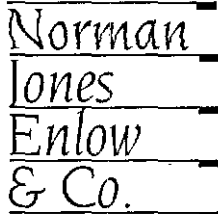
We have reviewed the independent auditor's report of the Bath Local School District, Allen County, prepared by Norman, Jones, Enlow & Co., Certified Public Accountants, for the audit period July 1, 1998 through June 30, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

February 17, 2000



Certified Public Accountants
& Management Consultants

Independent Auditor's Report

**Board of Education
Bath Local School District
Allen County, Ohio**

We have audited the accompanying general purpose financial statements of the Bath Local School District ("the District") as of and for the year ended June 30, 1999. 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 general purpose financial statements, 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 aspects, the financial position of the District, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 5, 1999 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of Bath Local School District taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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. Additionally, the Required Supplementary Information, which includes disclosure of Year 2000 issues, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Columbus, Ohio
November 5, 1999

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Bath Local School District
 Combined Balance Sheet
 All Fund Types and Account Groups
 June 30, 1999

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>Assets and Other Debits</u>				
<u>Assets</u>				
Equity in pooled cash and cash equivalents	\$ 1,444,922	\$ 234,438	\$ 3,418	\$ 505,014
Receivables				
Taxes	7,700,884	-	-	906,686
Accounts	8,043	-	-	-
Intergovernmental	-	12,594	-	-
Interfund receivable	31,667	-	-	-
Prepaid items	8,287	-	-	-
Inventory held for resale	-	-	-	-
Materials and supplies				
Inventory	17,117	-	-	-
Fixed assets (net, where applicable, of accumulated depreciation)	-	-	-	-
<u>Other Debits</u>				
Amount available in Debt Service Fund for retirement of general obligation bonds	-	-	-	-
Amount to be provided from general government resources	-	-	-	-
Total assets and other debits	\$ 9,210,920	\$ 247,033	\$3,418	\$ 1,411,700

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	(Memorandum Only)
\$ 205,719	\$ 1	\$ 38,705	\$ -	\$ -	\$ 2,432,217
-	-	-	-	-	8,607,570
-	-	-	-	-	8,043
21,641	-	-	-	-	34,235
25,000	-	-	-	-	56,667
-	-	-	-	-	8,287
23,734	-	-	-	-	23,734
-	-	-	-	-	17,117
52,824	-	-	16,216,563	-	16,269,387
-	-	-	-	3,418	3,418
-	-	-	-	2,367,858	2,367,858
<u>\$ 328,918</u>	<u>\$ 1</u>	<u>\$ 38,705</u>	<u>\$ 16,216,563</u>	<u>\$ 2,371,276</u>	<u>\$ 29,828,533</u>

See accompanying notes to the general purpose financial statements.

Bath Local School District
 Combined Balance Sheet (Continued)
 All Fund Types and Account Groups
 June 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities				
Fund Equity and Other Credits				
Liabilities				
Accounts payable	\$ 49,870	\$ 13,756	\$ -	\$ 116,434
Accrued wages	1,044,126	32,168	-	-
Compensated absences payable	17,251	-	-	-
Interfund payable	-	-	-	56,667
Intergovernmental payable	216,077	6,209	-	-
Deferred revenue	6,049,999	-	-	906,686
Due to students	-	-	-	-
Energy conservation loan payable	-	-	-	-
Asbestos removal loan payable	-	-	-	-
Total liabilities	7,377,323	52,133	-	1,079,787
Fund Equity and Other Credits				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings				
Unreserved	-	-	-	-
Fund balance				
Reserve for budget stabilization	126,639	-	-	-
Reserve for textbooks and instructional materials	7,329	-	-	-
Reserve for capital acquisition and maintenance	135,897	-	-	-
Reserved for encumbrances	353,584	20,935	-	223,715
Reserved for inventory	17,117	-	-	-
Reserved for prepaid items	8,287	-	-	-
Reserved for interfund receivable	31,667	-	-	-
Unreserved	1,153,077	173,964	3,418	108,198
Total fund equity and other credits	1,833,597	194,899	3,418	331,913
Total liabilities, fund equity and other credits	\$ 9,210,920	\$ 247,032	\$ 3,418	\$ 1,411,700

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	(Memorandum Only)
\$ 6,052	\$ -	\$ -	\$ -	\$ -	\$ 186,112
39,699	-	-	-	-	1,115,993
19,618	-	-	-	1,272,521	1,309,390
-	-	-	-	-	56,667
9,170	-	-	-	354,312	585,768
7,519	-	-	-	-	6,964,204
-	-	12,922	-	-	12,922
-	-	-	-	628,000	628,000
-	-	-	-	116,443	116,443
82,058	-	12,922	-	2,371,276	10,975,499
-	-	-	16,216,563	-	16,216,563
141,599	-	-	-	-	141,599
80,261	1	-	-	-	80,262
-	-	-	-	-	126,639
-	-	-	-	-	7,329
-	-	-	-	-	135,897
-	-	395	-	-	598,629
-	-	-	-	-	17,117
-	-	-	-	-	8,287
25,000	-	-	-	-	56,667
-	-	25,388	-	-	1,464,045
246,860	1	25,783	16,216,563	-	18,853,034
\$ 328,918	\$ 1	\$ 38,705	\$ 16,216,563	\$ 2,371,276	\$ 29,828,533

See accompanying notes to the general purpose financial statements.

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

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues				
Taxes	\$ 7,149,989	\$ -	\$ -	\$ 854,850
Intergovernmental	2,221,387	447,405	-	111,296
Interest	155,995	6,579	-	31,181
Tuition and fees	23,681	2,600	-	-
Extracurricular activities	-	154,062	-	-
Classroom materials and fees	2,490	-	-	-
Miscellaneous	3,713	65,773	-	-
Total revenues	9,557,255	676,419	-	997,327
Expenditures				
Current				
Instruction				
Regular	5,130,676	48,207	-	223,480
Special	430,536	226,911	-	-
Vocational	233,754	-	-	-
Other	163,642	-	-	-
Support services				
Pupils	565,840	7,000	-	-
Instructional staff	218,915	63,265	-	-
Board of Education	27,563	-	-	-
Administration	913,319	55,664	-	-
Fiscal	369,944	-	-	15,259
Business	106,958	-	-	-
Operation and maintenance of plant	1,055,966	1,218	-	444,795
Pupil transportation	521,303	3,805	-	20,943
Central	62,901	196	-	-
Operation of non-instructional services	-	3,753	-	42,645
Extracurricular activities	273,260	212,251	-	-
Capital outlay	-	3,657	-	3,250
Debt Service				
Principal retirement	-	-	189,518	-
Interest and fiscal charges	-	-	34,464.21	1,828.00
Total expenditures	10,074,577	625,927	223,982	752,200
Excess of revenues over (under) expenditures	\$ (517,322)	\$ 50,492	\$ (223,982)	\$ 245,127

Fiduciary Fund Type	Totals (Memorandum Only)
Expendable Trust	
\$ -	\$ 8,004,839
-	2,780,088
1,201	194,956
-	26,281
37,107	191,169
-	2,490
21,460	90,946
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59,768	11,290,769
7,092	5,409,455
-	657,447
-	233,754
36,597	200,239
-	572,840
7,995	290,175
-	27,563
-	968,983
-	385,203
-	106,958
-	1,501,979
-	546,051
4,721	67,818
-	46,398
-	485,511
-	6,907
-	189,518
-	36,292
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56,405	11,733,091
<u>\$ 3,363</u>	<u>(\$442,322)</u>

See accompanying notes to the general purpose financial statements.

Bath Local School District
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types and Similar Trust Funds (Continued)
For the Fiscal Year Ended June 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Other Financing Sources (Uses)</u>				
Proceeds from sale of fixed assets	\$ 160	\$ -	\$ -	\$ -
Refund of prior year expenditures	16,931	90	-	398
Operating transfers in	81,413	9,427	223,982	157,281
Operating transfers out	(90,840)	-	-	(381,262)
Total other financing sources (uses)	7,664	9,517	223,982	(223,583)
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(509,658)	60,009	-	21,544
Fund balances at beginning of year	2,338,992	134,890	3,418	310,369
Increase in reserve for inventory	4,263	-	-	-
Fund balances at end of year	\$ 1,833,597	\$ 194,899	\$ 3,418	\$ 331,913

Fiduciary Fund Type	Totals (Memorandum Only)
Expendable Trust	
\$ -	\$ 160
656	18,075
-	472,103
-	(472,102)
<u>656</u>	<u>18,236</u>
4,019	(424,086)
21,764	2,809,433
-	4,263
<u>\$ 25,783</u>	<u>\$ 2,389,610</u>

See accompanying notes to the general purpose financial statements.

Bath Local School District
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Budget Basis)
All Governmental Fund Types
For the Fiscal Year Ended June 30, 1999

	Governmental Fund Types					
	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes	\$ 7,477,081	\$ 7,499,104	\$ 22,023	\$ -	\$ -	\$ -
Intergovernmental	1,996,496	2,221,387	224,891	573,880	454,733	(119,147)
Interest	181,350	155,995	(25,355)	8,120	6,579	(1,541)
Tuition and fees	22,750	25,760	3,010	2,340	2,600	260
Extracurricular activities	-	-	-	168,179	154,062	(14,117)
Classroom materials and fees	6,500	2,490	(4,010)	-	-	-
Other revenues	2,175	3,713	1,538	57,700	65,773	8,073
Total revenues	9,686,352	9,908,449	222,097	810,219	683,747	(126,472)
Expenditures						
Current						
Instruction						
Regular	5,394,356	5,093,161	301,195	204,047	54,361	149,686
Special	456,611	441,031	15,580	279,688	223,543	56,145
Vocational	245,266	242,936	2,330	5	-	5
Other	163,642	163,642	-	-	-	-
Support services						
Pupils	594,521	566,152	28,369	8,400	7,000	1,400
Instructional staff	229,518	209,636	19,882	99,884	62,614	37,270
Board of Education	37,508	26,918	10,590	-	-	-
Administration	1,031,197	908,236	122,961	172,756	55,629	117,127
Fiscal	443,248	368,962	74,286	995	-	995
Business	116,317	106,900	9,417	-	-	-
Operation and maintenance of plant	1,145,835	1,037,969	107,866	11,561	1,218	10,343
Pupil transportation	697,634	515,831	181,803	12,797	3,921	8,876
Central	72,772	62,430	10,342	250	198	52
Operation of non-instructional services						
Extracurricular activities	295,953	272,487	23,466	243,483	215,147	28,336
Capital outlay	-	-	-	5,700	3,657	2,043
Debt Service						
Principal retirement and interest/fiscal charges	-	-	-	-	-	-
Total expenditures	10,924,378	10,016,291	908,087	1,039,566	631,041	408,525
Excess of revenues over (under) expenditures	\$ (1,238,026)	\$ (107,842)	\$ 1,130,184	\$ (229,347)	\$ 52,706	\$ 282,053

Governmental Funds Types

Debt Service Fund			Capital Projects Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 791,029	\$ 854,849	\$ 63,820	\$ 8,268,110	\$ 8,353,953	\$ 85,843
-	-	-	49,340	111,296	61,956	2,619,716	2,787,416	167,700
-	-	-	-	31,181	31,181	189,470	193,755	4,285
-	-	-	-	-	-	25,090	28,360	3,270
-	-	-	-	-	-	168,179	154,062	(14,117)
-	-	-	-	-	-	6,500	2,490	(4,010)
-	-	-	-	-	-	59,875	69,486	9,611
-	-	-	840,369	997,326	156,957	11,336,940	11,589,522	252,582
-	-	-	281,446	203,436	78,010	5,879,849	5,350,958	528,891
-	-	-	-	-	-	736,299	664,574	71,725
-	-	-	-	-	-	245,271	242,936	2,335
-	-	-	-	-	-	163,642	163,642	-
-	-	-	-	-	-	602,921	573,152	29,769
-	-	-	-	-	-	329,402	272,250	57,152
-	-	-	-	-	-	37,508	26,918	10,590
-	-	-	-	-	-	1,203,953	963,865	240,088
3,418	-	3,418	15,259	15,259	-	462,920	384,221	78,699
-	-	-	-	-	-	116,317	106,900	9,417
-	-	-	522,478	366,430	156,048	1,679,874	1,405,617	274,257
-	-	-	20,943	20,943	-	731,374	540,695	190,679
-	-	-	-	-	-	73,022	62,628	10,394
-	-	-	299,648	42,645	257,003	299,648	46,398	253,250
-	-	-	-	-	-	539,436	487,634	51,802
-	-	-	-	-	-	5,700	3,657	2,043
-	-	-	226,843	225,810	1,033	226,843	225,810	1,033
3,418	-	3,418	1,366,617	874,523	492,094	13,333,979	11,521,855	1,812,124
\$ (3,418)	\$ -	\$ 3,418	\$ (526,248)	\$ 122,803	\$ 649,051	\$ (1,997,039)	\$ 67,667	\$ 2,064,706

See accompanying notes to the general purpose financial statements.

Bath Local School District
 Combined Statement of Revenues, Expenditures and
 Changes in Fund Balances - Budget and Actual (Budget Basis)
 All Governmental Fund Types (Continued)
 For the Fiscal Year Ended June 30, 1999

	Governmental Fund Types					
	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Other Financing Sources (Uses)						
Proceeds from sale of fixed assets	\$ 125	\$ 160	\$ 35	\$ -	\$ -	\$ -
Refund of prior year expenditures	14,500	16,931	2,431	-	-	-
Refund of prior year receipts	-	-	-	-	90	90
Advances in	25,000	48,333	23,333	-	78,500	78,500
Advances out	(20,000)	-	20,000	-	(98,500)	(98,500)
Operating transfers in	-	81,413	81,413	24,300	9,427	(14,873)
Operating transfers out	(80,000)	(90,840)	(10,840)	-	-	-
Total other financing sources (uses)	(60,375)	55,997	116,372	24,300	(10,483)	(34,783)
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(1,298,401)	(51,845)	1,246,556	(205,047)	42,223	247,270
Fund balances at beginning of year	1,496,767	1,496,767	-	192,217	192,217	-
Fund balances (deficit) at end of year	\$ 198,366	\$ 1,444,922	\$ 1,246,556	\$ (12,830)	\$ 234,440	\$ 247,270

Governmental Funds Types

Debt Service Fund			Capital Projects Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125	\$ 160	\$ 35
-	-	-	-	398	398	14,500	17,329	2,829
-	-	-	-	-	-	-	90	90
-	-	-	-	-	-	25,000	126,833	101,833
-	-	-	-	(28,333)	(28,333)	(20,000)	(126,833)	(106,833)
-	-	-	-	157,281	157,281	24,300	248,121	223,821
-	-	-	(48,000)	(157,281)	(109,281)	(128,000)	(248,121)	(120,121)
-	-	-	(48,000)	(27,935)	20,065	(84,075)	17,579	101,654
(3,418)	-	3,418	(574,248)	94,868	669,116	(2,081,114)	85,246	2,166,360
3,418	3,418	-	410,144	410,144	-	2,102,546	2,102,546	-
<u>\$ -</u>	<u>\$ 3,418</u>	<u>\$ 3,418</u>	<u>\$ (164,104)</u>	<u>\$ 505,012</u>	<u>\$ 669,116</u>	<u>\$ 21,432</u>	<u>\$ 2,187,792</u>	<u>\$ 2,166,360</u>

See accompanying notes to the general purpose financial statements.

**Bath Local School District
 Combined Statement of Revenues,
 Expenses and Changes in Fund Equity
 All Proprietary Fund Types
 For the Fiscal Year Ended June 30, 1999**

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
<u>Operating Revenues</u>			
Sales	\$ 483,009	\$ 9,352	\$ 492,361
Classroom materials and fees	71,662	-	71,662
Total operating revenue	554,671	9,352	564,023
<u>Operating Expenses</u>			
Salaries	221,244	-	221,244
Fringe benefits	118,524	-	118,524
Purchased services	10,058	-	10,058
Materials and supplies	292,034	9,352	301,386
Cost of sales	60,855	-	60,855
Depreciation	8,669	-	8,669
Capital outlay	5,639	-	5,639
Total operating expenses	717,023	9,352	726,375
Operating loss	(162,352)	-	(162,352)
<u>Non-Operating Revenues (Expenses)</u>			
Federal donated commodities	62,498	-	62,498
Operating grants	145,315	-	145,315
Earnings on investments	2,397	-	2,397
Refund of prior year expense	3,594	-	3,594
Total non-operating revenues	213,804	-	213,804
Net income	51,452	-	51,452
Retained earnings/fund balance at beginning of year	53,809	1	53,810
Retained earnings/fund balance at end of year	105,261	1	105,262
Contributed capital at beginning of year	141,599	-	141,599
Contributed capital at end of year	141,599	-	141,599
Total fund equity at end of year	\$ 246,860	\$ 1	\$ 246,861

See accompanying notes to the general purpose financial statements.

Bath Local School District
 Combined Statement of Cash Flows
 Proprietary Fund Types
 For the Fiscal Year Ended June 30, 1999

	Enterprise	Internal Service	Totals
<u>Cash Flows from Operating Activities</u>			
Cash received from customers	\$ 554,671	\$ 9,352	\$ 564,023
Cash payments to suppliers for goods and services	(311,666)	(9,352)	(321,018)
Cash payments to employees for services	(358,440)	-	(358,440)
Net cash used by operating activities	(115,435)	-	(115,435)
<u>Cash Flows from Noncapital Financing Activities</u>			
Operating grants received	126,070	-	126,070
Refund of prior year expense	3,594	-	3,594
Net cash provided by noncapital financing activities	129,664	-	129,664
<u>Cash Flows from Capital and Related Financing Activities</u>			
Payments for capital acquisitions	(8,222)	-	(8,222)
Net cash used by capital and related financing activities	(8,222)	-	(8,222)
Net decrease in cash and cash equivalents	6,007	-	6,007
Cash and cash equivalents at July 1, 1998	199,712	1	199,713
Cash and cash equivalents at June 30, 1999	205,719	1	205,720
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</u>			
Operating loss	(162,352)	-	(162,352)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities			
Depreciation	8,669	-	8,669
Non-cash operating revenues	62,498	-	62,498
Changes in assets and liabilities			
Decrease in inventories	6,006	-	6,006
Decrease in accrued wages	(1,779)	-	(1,779)
Decrease in accounts payable	(665)	-	(665)
Decrease in compensated absences payable	(22,932)	-	(22,932)
Decrease in intergovernmental payable	(13)	-	(13)
Decrease in deferred revenue	(4,867)	-	(4,867)
Total adjustments	46,917	-	46,917
Net cash used by operating activities	\$ (115,435)	\$ -	\$ (115,435)

See accompanying notes to the general purpose financial statements.

Bath Local School District
Allen County

Notes to Financial Statements
June 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF THE ENTITY

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

Average daily membership (DX) as of June 30, 1999 was 2,084. The District employed 134 (including administrative employees) certified employees and 91 non-certified employees. Local school districts are supervised by the County Board of Education, a separate entity.

Management believes the financial statements included in this report represent all of the funds of the District over which the Board has the ability to exercise direct operating control.

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

REPORTING ENTITY

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

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; (4) or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes.

As of June 30, 1999 Bath Local School District does not have any component units as defined above.

Excluded from the reporting entity:

Bath Local Education Foundation

Bath Local Education Foundation is a nonprofit association established to operate exclusively for charitable scientific educational and literacy purposes to promote excellence at Bath Local Schools. The District cannot abolish the organization, nor is it financially accountable to the foundation.

Bath Local School District
Allen County

Notes to Financial Statements
June 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Core Source

The District is a member of a cooperative group established to provide a minimum premium insurance fund to pay medical claims of the employees and their covered dependents and to minimize the total cost of annual medical insurance to the District. The District is not financially accountable to this entity nor is it fiscally dependent on the District.

FUND ACCOUNTING

The District maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity, which stands separate from the activities reported in other funds. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The restrictions associated with each type of fund are as follows:

Governmental Funds

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

General Fund

The General Fund is the general operating fund of the District. 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 Fund

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

Capital Project Fund

To account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary and Trust Funds).

Debt Service Fund

To account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. According to governmental accounting principles, the Debt Service Fund accounts for the payment of long-term debt for Governmental Funds only. Under Ohio law, the Debt Service Fund might also be used to account for the payment of the long-term debt of Proprietary Funds and the short-term debt of both Governmental and Proprietary Funds. For purposes of this report, these funds have been classified into the proper groups, if practicable.

PROPRIETARY FUNDS

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

Bath Local School District
Allen County

Notes to Financial Statements
June 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Enterprise Funds

To account for operations that are financed and operated in a manner similar to private business enterprises where (a) 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

To 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

To 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. This includes Expendable Trusts and Agency Funds.

ACCOUNT GROUPS

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

General Fixed Asset Account Group

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

General Long-Term Obligations Account Group

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

BASIS OF ACCOUNTING

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

All Proprietary Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with operations of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (expenses) in net total assets. The District has reflected prior years' contributed capital.

Bath Local School District
Allen County

Notes to Financial Statements
June 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The modified accrual basis of accounting is followed for Governmental, Expendable Trust and Agency Funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period, which for the District is sixty days after the June 30 year end. Revenues accrued at the end of the year include interest, tuition, grants and entitlements, and accounts (student fees and rent). Current property taxes measurable as of June 30, 1999, which are intended to finance fiscal 2000 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) were recognized as revenue.

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

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

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

BUDGETARY PROCESS

The District is required by state to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 1999 is as follows:

1. Prior to January 15 of the preceding year, the Superintendent and Treasurer submitted to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the board-adopted budget is filed with the Allen County Budget Commission for tax rate determination.
3. Prior to March 15, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in

Bath Local School District
Allen County

Notes to Financial Statements
June 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding years as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final Amended Certificate issued for fiscal year 1999.

4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control (State statute permits a temporary appropriation to be effective until no later than October 1 of each year). Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
5. Any revisions that alter the total of any fund appropriation, the total function appropriations within a fund, or the object appropriations within functions must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All departments/functions and funds completed the year within the amount of their legally authorized cash basis appropriation.
7. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal 1999.
8. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reapportioned. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund, function and/or object level.

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

CASH AND INVESTMENTS

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

During fiscal 1999, investments were limited to the State Treasury Asset Reserve Ohio (STAR Ohio).

Bath Local School District
Allen County

Notes to Financial Statements
June 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

An analysis of the Treasurer's investment account at year-end is provided in Note 2.

COMPENSATED ABSENCES

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

Vested and accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the respective Governmental Fund. Amounts of vested and accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Obligation Account Group. No expenditure is reported for these amounts. Vested and accumulated vacation leave and sick leave of Proprietary Funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Statement of Governmental Accounting Standards No. 16, Accounting for Compensated Absences, a liability is recorded for accumulating rights to receive sick pay benefits at termination.

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

INVENTORY

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

Bath Local School District
Allen County

Notes to Financial Statements
June 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond June 30, 1999, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

FIXED ASSETS AND DEPRECIATION

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in Governmental Funds, and the related assets are reported in the General Fixed Assets Account Group. Fixed assets utilized in the Proprietary Funds are capitalized in the fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five hundred dollars.

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

Assets in General Fixed Assets Account Group are not depreciated. Depreciation of furniture and equipment in the Enterprise Funds is computed using the straight-line method over an estimated useful life of five to twenty years.

INTERGOVERNMENTAL REVENUES

For Governmental Funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for Proprietary Fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

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

Entitlements

General Fund
State Foundation Program
School Bus Purchase
State Property Tax Relief

Grants

Special Revenue Funds
Title VIB
Title I
Title VIC2
Drug Free Schools
Educational Management Information System
Professional Development
Eisenhower Math/Science

Bath Local School District
Allen County

Notes to Financial Statements
June 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Project Funds

School Net
School Net Plus

Proprietary Funds

National School Lunch Program
National School Breakfast Program
Government Donated Commodities

Grants and entitlements received as Governmental Funds amounted to 17 percent of Governmental Fund revenue during fiscal year 1999.

LONG-TERM OBLIGATIONS

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

FUND EQUITY

Reserved fund balances indicate that portion of fund equity, which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, debt service, materials and supplies inventory, prepaids, tax revenue unavailable for appropriation, and budget set-asides. Fund balance reserves include budget stabilization reserve for workers' compensation refund. The unreserved portions of fund equity reflected for the governmental funds are available for use within the specific purposes of those funds.

INTERFUND TRANSACTIONS

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

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

STATEMENT OF CASH FLOWS

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

Bath Local School District
Allen County

Notes to Financial Statements
June 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FINANCIAL REPORTING FOR PROPRIETARY AND SIMILAR FUND TYPES

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

RESTRICTED ASSETS

Restricted assets in the General Fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. The reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. During fiscal year 1998, the School District received a \$44,596 refund from the Bureau of Workers' Compensation which State statute required to be included in this reserve.

TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund type eliminations have not been made in the aggregation of this data.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. POOLED CASH AND CASH EQUIVALENTS

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

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

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

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

**Bath Local School District
Allen County**

**Notes to Financial Statements
June 30, 1999**

2. POOLED CASH AND CASH EQUIVALENTS (CONTINUED)

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

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

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

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

Deposits

At year end, the carrying amount of the District's deposits was \$36 and the bank balance was \$65,153. Of the bank balance, \$65,153 was covered by federal depository insurance.

Investments

GASB Statement No. 3 entitled "Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements" requires the District's investments to be categorized to give an indication of the level of risk assumed by the District at year end. Category 1 includes investments that are insured or registered or securities held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered

**Bath Local School District
Allen County**

**Notes to Financial Statements
June 30, 1999**

2. POOLED CASH AND CASH EQUIVALENTS (CONTINUED)

investments for which the securities are held by the counterparty, or by its trust department or agent but not in the District's name. STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form. The reported amount and fair value for the investment in STAR Ohio is \$2,432,181.

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

	Equity in Pooled Cash and Cash Equivalents	Investments
Per GASB Statement No. 9	\$ 2,432,217	\$ -
Reclassifications:		
STAR Ohio	(2,432,181)	2,432,181
Less: Cash on hand	-	-
Per GASB Statement No. 3	\$ 36	\$ 2,432,181

3. DEBT OBLIGATIONS

Debt outstanding at June 30, 1999, consisted of the following:

The energy management loan in conjunction with a grant is used for the installation of heating and lighting controls for energy conservation in compliance with House Bill 264.

Energy Management Loan		
Principal Outstanding	\$	333,000
Interest Rate		4.85%
Energy Management Loan		
Principal Outstanding	\$	69,000
Interest Rate		4.50%
Energy Management Loan		
Principal Outstanding	\$	226,000
Interest Rate		5.30%

The asbestos abatement loans are interest-free loans obtained from the United States Environmental Protection Agency in conjunction with a grant for the removal of asbestos from school buildings.

Asbestos Abatement Loans (Interest Free)		
Principal Outstanding Loan #1	\$	10,916
Principal Outstanding Loan #2		105,527

Bath Local School District
Allen County

Notes to Financial Statements
June 30, 1999

3. DEBT OBLIGATIONS (CONTINUED)

The annual requirements to amortize all long-term debt outstanding as of June 30, 1999:

Year Ending June 30	Energy Management Loan	Asbestos Abatement Loans
2000	\$ 123,000	\$ 19,070
2001	123,000	19,070
2002	123,000	19,070
2003	123,000	19,070
2004	123,000	19,070
Thereafter	13,000	21,093
Total	\$ 628,000	\$ 116,443

During the year ended June 30, 1998, the following changes occurred in liabilities reported in the General Long-Term Obligations Account Groups. Compensated absences will be paid from the fund from which the employee is paid.

	Balance July 1, 1998	Increases	(Decrease)	Balance June 30, 1999
Compensated Absences	\$ 1,098,005	\$ 174,516	\$ -	\$ 1,272,521
General Obligation	933,961	-	189,518	744,443
Intergovernmental Payables	163,216	354,312	(163,216)	354,312

Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District excluding energy conservation measures.

The effects of these debt limitations at June 30, 1999 are a voted debt margin of \$26,373,970 and an unvoted debt margin of \$293,044.

4. PROPERTY TAX

Property taxes are levied and assessed on a calendar year basis. Distributions from the second half of the calendar year occur in a new fiscal year and are intended to finance the operations of that year. Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the District.

Real property taxes are levied on assessed values which equal 35 percent of appraised value. The county auditor reappraises all real property every six years with a triennial update. The last reappraisal was completed for tax year 1997.

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 December 31; if paid

Bath Local School District
Allen County

Notes to Financial Statements
June 30, 1999

4. PROPERTY TAX (CONTINUED)

semiannually, the first payment is due December 31 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 tax (calendar) year 1999, was \$44.37 per \$1,000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$29.80 per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$30.27 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 tax (calendar) year 1999 was \$30.37 per \$1,000 of assessed valuation.

Real Property – 1998 Valuation	\$ 93,710,470
Residential/Agricultural	45,525,230
Commercial/Industrial Public Utilities	321,230
Tangible Personal Property – 1998 Valuation	130,004,772
General Public Utilities	23,482,410
TOTAL VALUATION	\$ 293,044,112

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

5. INSURANCE

Risks which the District is exposed to include loss related to: theft or damage to and destruction of assets, torts, errors and omissions, injuries to employees, and natural disasters. The District is insured on the buildings and contents with Nationwide Insurance Company up to \$1,000,000. General liability insurance is purchased from Nationwide/Wausau Educational Insurers with a \$1,000,000 single occurrence limit and a \$3,000,000 aggregate limit. Vehicle insurance is purchased from Nationwide Insurance Company with a \$2,000,000 single occurrence limit and a \$2,000,000 aggregate limit.

6. RETIREMENT COMMITMENTS

A. School Employees Retirement System

The Bath Local School 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 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. The School Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for SERS. That report may be obtained by writing to SERS, 45 N. Fourth Street, Columbus, Ohio 43215-3634.

Bath Local School District
Allen County

Notes to Financial Statements
June 30, 1999

6. RETIREMENT COMMITMENTS (CONTINUED)

Plan members are required to contribute 9 percent of their annual covered salary and Bath Local School District is required to contribute 14 percent for 1998; 9.02 percent was the portion to fund pension obligations. The contribution rates are not determined actuarially, but are established by the School Employees Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The District's required contributions to SERS for the years ended June 30, 1999, 1998, and 1997 were \$252,726, \$243,375, and \$236,506, respectively; 82 percent has been contributed for fiscal year 1999 and 100 percent for fiscal year 1998 and 1997. \$43,247 representing the unpaid contribution for fiscal year 1999 is recorded as a liability within the respective funds and the General Long-Term Obligations Account Group.

B. State Teachers Retirement System

Bath Local School District contributes to the School 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 STRS, 275 E. Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and Bath Local School District is required to contribute 14 percent; 10.5 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$783,120, \$771,432, and \$776,754, respectively; 80 percent has been contributed for fiscal year 1999 and 100 percent for fiscal years 1998 and 1997. \$151,150 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds.

7. POSTEMPLOYMENT BENEFITS

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

For STRS, all benefit recipients are required to pay a portion of health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Board currently allocates employer contributions equal to 3.5 percent of covered payroll to the Health Care Reserve Fund for which payments for health care benefits are paid. For the District, the amount equaled \$193,476 during the 1999 fiscal year.

As of July 1, 1999, eligible benefit recipients totaled 91,999. For the fiscal year ended June 30, 1998, net health care costs paid by STRS were \$219,224,000.

Bath Local School District
Allen County

Notes to Financial Statements
June 30, 1999

7. **POSTEMPLOYMENT BENEFITS (CONTINUED)**

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

For this fiscal year, employer contributions to fund health care benefits were 4.98 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 1999, the minimum pay has been established at \$12,400. For the District, the amount to fund health care benefits, including surcharge, equaled \$119,271 during the 1999 fiscal year. The number of participants currently receiving health care benefits is 50,000. For the fiscal year ended June 30, 1998, net health care costs paid by SERS were \$111,900,575.

8. **HEALTH BENEFIT PLAN**

The District is a member of a cooperative group established to provide a minimum premium insurance fund to pay medical claims of the employees and their covered dependents and to minimize the total cost of annual medical insurance to the District. The hospitalization, life, dental, and health insurance program operates under the control of a Board of Trustees representing the member schools. The plan is administered by Core Source of Westerville, Ohio.

9. **INSIDE MILLAGE AGREEMENTS**

The Allen County Budget Commission erroneously allocated the unvoted property tax millage, inside the ten-mill limitation, for the taxing districts within the Bath Local School District resulting in the District receiving property tax revenues in excess of statutory allowances per Section 5705.31, Revised Code. Because a correction of the millage allowances would reduce the District's millage below the requirement of twenty mills to participate in the School Foundation Program and decrease overall property tax revenues, agreements were reached between the District, the Village of Cairo and Monroe Township, as of May 18, 1989. The District agreed to pay an annual amount of \$15,000 and \$40,000 to the Village of Cairo and Monroe Township, respectively, in return for the dismissal of the case before the State of Ohio Board of Tax Appeals and an agreement not to institute or pursue any future proceedings or claims on the inside millage as long as the agreed payments are made.

10. **FIXED ASSETS**

A summary of the changes in the General Fixed Asset Account Group during the fiscal year follows, with an added amount listed under "Increases" in the Textbook section that reflects an added number of books reported in the inventory count over that reported in previous years, not an added expenditure.

	Balance July 1, 1998	Increases	Decreases	Balance June 30, 1999
Land/Improvements	\$ 189,234	\$ -	\$ -	\$ 189,234
Building	12,165,607	-	-	12,165,607
Vehicles	1,241,383	713	-	1,242,096
Furniture/Equipment	2,553,547	66,079	-	2,619,626
Total	<u>\$ 16,149,771</u>	<u>\$ 66,792</u>	<u>\$ -</u>	<u>\$ 16,216,563</u>

There was no significant construction in progress.

Bath Local School District
Allen County

Notes to Financial Statements
June 30, 1999

10. FIXED ASSETS (CONTINUED)

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

Furniture and Equipment	\$ 238,497
Less Accumulated Depreciation	185,673
Net Fixed Assets – Proprietary Fund	\$ 52,824

11. RECEIVABLES

Receivables at June 30, 1999 consisted of taxes, accounts (rent and student fees), and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of Federal funds. A summary of principle items of receivables follows:

<u>General Fund</u>	
Taxes-Current and Delinquent Accounts	\$ 7,700,884 8,043
<u>Special Revenue</u>	
Intergovernmental	12,594
<u>Capital Projects</u>	
Taxes-Current and Delinquent	906,686
<u>Enterprise Fund</u>	
Intergovernmental	21,641
Total	\$ 8,649,848

12. RESERVED FUND BALANCES

Beginning with fiscal year 1999, State laws and regulations require reserves for textbooks and instructional materials and capital and maintenance to be set up. The following chart illustrates how the fund reserve is determined:

	Textbook and Instructional Material Reserve	Capital Acquisition and Maintenance Reserve	Budget Stabilization	Totals
Set-aside Cash Balance as of June 30, 1998	\$ -	\$ -	\$ 44,596	\$ 44,596
Current Year Set-Aside Requirement	164,086	164,086	82,043	328,172
Less: Qualifying Disbursements	(156,757)	(28,189)	-	(184,946)
Cash Balance Carried Forward to Fiscal Year 2000	\$ 7,329	\$ 135,897	\$ 126,639	\$ 187,822

Bath Local School District
Allen County

Notes to Financial Statements
June 30, 1999

12. RESERVED FUND BALANCES (CONTINUED)

The current year additions to the reserves are calculated by multiplying general fund receipts in the prior year from property taxes, income taxes and state foundation times a state determined percentage. Current year qualifying expenses reduce the reserve balance.

13. BUDGETARY BASIS OF ACCOUNTING

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

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

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis); and
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, encumbrances are recorded as the equivalent of an expenditure (budget basis) as opposed to a reservation of fund balance for governmental funds (GAAP basis).

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

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

	<u>Governmental Fund Types</u>		
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Fund</u>
Budget Basis	\$ (51,845)	\$ 42,222	\$ 94,868
Net Adjustment for Revenue Accruals	(351,193)	(7,328)	-
Net Adjustment for Expenditure Accruals	(58,287)	5,115	(73,324)
Net Adjustment for Other Sources/Uses	(48,333)	20,000	-
GAAP Basis	<u>\$ (509,658)</u>	<u>\$ 60,009</u>	<u>\$ 21,544</u>

Bath Local School District
Allen County

Notes to Financial Statements
June 30, 1999

14. SEGMENT INFORMATION - ENTERPRISE FUNDS

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

	Food Service	Uniform School Supplies
Operating Revenue	\$ 483,009	\$ 71,662
Depreciation	8,669	-
Operating Income (Loss)	(172,464)	10,112
Operating Grants	145,315	-
Net Income (Loss)	37,798	13,654
Property, Plant and Equipment:		
Additions	8,222	-
Net Working Capital	131,938	89,921

15. CONTINGENT LIABILITY

Grants

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

Litigation

The District is involved in no material litigation as either plaintiff or defendant.

School Funding Decision

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program" which provides significant amounts of monetary support to the District. During fiscal year ended June 30, 1999, the District received \$1,643,688 of school foundation support for its General Fund, and \$1,675,657 in total (all funds) support.

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

**Bath Local School District
Allen County**

**Notes to Financial Statements
June 30, 1999**

15. CONTINGENTLY LIABILITY (CONTINUED)

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

Bath Local School District
Allen County

Required Supplementary Information
(UNAUDITED)

Year 2000 Disclosure

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the District's operations as early as fiscal 1999.

The Northwest Ohio Computer Association (NWOCA) has been contracted by the Ohio Department of Education (NWOCA) for services as a Software Support Site. The NWOCA has completed an inventory of computer systems and other equipment necessary to conducting District operations. The District has identified such systems as being the following software systems: Uniform School Accounting System (USAS), Uniform Staff Payroll System (USPS), School Asset Account System/Equipment Inventory Subsystem (SAAS/EIS), Education Management Information System (EMIS) and Student Information System (SIS). The NWOCA has completed the validation and testing stage of all the software systems and has determined that it is year 2000 compliant.

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

**Norman
Jones
Enlow
& Co.**

Certified Public Accountants
& Management Consultants

**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
Bath Local School District
Allen County, Ohio 45801**

We have audited the general purpose financial statements of the Bath Local School District, Allen County, Ohio (the District), as of and for the year ended June 30, 1999, and have issued our report thereon dated November 5, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.


Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the District's management in a separate letter dated January 19, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of Bath Local School District in a separate letter dated January 19, 2000.

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

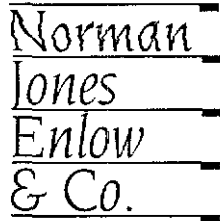

Norman, Jones, Enlow & Co.
Columbus, Ohio
November 5, 1999

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Certified Public Accountants & Management Consultants

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

Board of Education
Bath Local School District
Allen County, Ohio 45801

Compliance

We have audited the compliance of 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, 1999.

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.

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

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.

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 the 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.

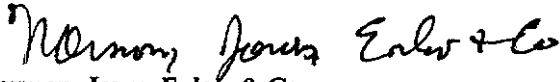
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This report is intended solely for the information and use of the Board of Education, the Auditor of State and federal awarding agencies and pass-through entities, and it is not intended to be and should not be used by anyone other than these specified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



Norman, Jones, Enlow & Co.
Columbus, Ohio
November 5, 1999

**BATH LOCAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 1999**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Bath Local School District.
2. No reportable conditions disclosed during the audit of the financial statements are reported in the Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Bath Local School District were disclosed during the audit.
4. There were no reportable conditions disclosed during the audit of internal control over major federal award programs.
5. The auditor's report on compliance for the major federal award programs for Bath Local School District expresses an unqualified opinion.
6. There are no audit findings relative to the major federal award programs for Bath Local School District to report in this Schedule.
7. The program tested as a major program was: Title I ESEA, CFDA No. 84.010.
8. The dollar threshold for distinguishing Type A Programs was \$300,000 or greater. Type B Programs were all others.
9. Bath Local School District was determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

BATH LOCAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 1999

<u>Federal Grantor/ Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Non-Cash Expenditures</u>	<u>Disbursements/ Expenditures</u>
U.S. Department of Agriculture/ Pass-through Ohio Department of Education:			
National School Breakfast Program	10.553		\$ 12,647
National School Lunch Program	10.555		103,742
Food Distribution	10.550	\$ 62,493	
Total U.S. Department of Agriculture		62,493	116,389
 U.S. Department of Education/ Pass-through Ohio Department of Education:			
Title I ESEA	84.010		234,242
Title VI B	84.027		87,633
Drug-Free Schools	84.186		10,065
Professional Development	84.276		554
Eisenhower Math/Science	84.281		7,228
Title VI C2	84.298		8,971
Total U.S. Department of Education		-	348,693
TOTAL FEDERAL ASSISTANCE		\$ 62,493	\$ 465,082

Notes to Schedule of Expenditures of Federal Awards for the Year Ended June 30, 1999

NOTE A - Significant Accounting Policies

The accompanying Schedule of Awards Expenditures is a summary of the activity of the District's federal awards program. The schedule has been prepared on the cash-basis of accounting.

NOTE B - National School Breakfast & Lunch Program

This is a reimbursement grant; therefore, revenues are considered expended when received.

NOTE C - Food Distribution

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed and are not reflected in the accompanying financial statements.

See auditors' report on schedule of federal awards



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OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

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Facsimile 614-466-4490

BATH LOCAL SCHOOL DISTRICT
ALLEN COUNTY

CLERK'S CERTIFICATION

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

By: Susan Babbitt

Date: MARCH 7, 2000