

**APOLLO JOINT VOCATIONAL
SCHOOL DISTRICT**

**AUDITED GENERAL PURPOSE
FINANCIAL STATEMENTS
JUNE 30, 2000**



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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To the Board of Education
Apollo Joint Vocational School District
3325 Shawnee Road
Lima, Oh 45806

We have reviewed the Independent Auditor's Report of the Apollo Joint Vocational School District, Allen County, prepared by Rea & Associates, Inc., for the audit period July 1, 1999 to June 30, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO
Auditor of State

December 31, 2000

APOLLO JOINT VOCATIONAL SCHOOL DISTRICT

JUNE 30, 2000

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

December 13, 2000

To the Board of Education
Apollo Joint Vocational School District
3325 Shawnee Road
Lima, Ohio 45806

Independent Auditor's Report

We have audited the accompanying general purpose financial statements of Apollo Joint Vocational School 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 general purpose 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 Apollo Joint Vocational School District as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

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

Rea & Associates, Inc.

Apollo Joint Vocational School District
 Combined Balance Sheet
 All Fund Types and Account Groups
 June 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits:</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,413,176	\$345,098	\$25,449	\$421,865
Receivables:				
Taxes	2,664,386	0	0	719,858
Accounts	155,596	20,185	0	0
Intergovernmental	0	86,139	0	0
Interfund Receivable	300,850	0	0	0
Prepaid Items	49,253	8,629	0	0
Inventory Held for Resale	0	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	117,431	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
<u>Other Debits:</u>				
Amount Available in Debt Service Fund for Retirement of General Obligation Debt	0	0	0	0
Amount to be Provided from General Governmental Resources	0	0	0	0
Total Assets and Other Debits	\$4,700,692	\$460,051	\$25,449	\$1,141,723
<u>Liabilities, Fund Equity and Other Credits:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$36,202	\$13,653	\$0	\$175,374
Accrued Wages and Benefits	478,029	105,168	0	0
Compensated Absences Payable	12,595	2,677	0	0
Interfund Payable	0	70,850	0	200,000
Intergovernmental Payable	72,824	17,199	0	0
Deferred Revenue	2,378,050	0	0	712,644
Undistributed Assets	0	0	0	0
Due to Students	0	0	0	0
Capital Leases Payable	0	0	0	0
Energy Conservation Loan Payable	0	0	0	0
Total Liabilities	2,977,700	209,547	0	1,088,018
<u>Fund Equity and Other Credits:</u>				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Reserved:				
Retained Earnings (Deficit)	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	152,469	66,450	0	231,905
Reserved for Contribution	0	0	0	0
Reserved for Prepaid Items	0	0	0	0
Reserved for Property Taxes	286,336	0	0	7,214
Reserved for Budget Stabilization	117,431	0	0	0
Unreserved (Deficit)	1,166,756	184,054	25,449	(185,414)
Total Fund Equity and Other Credits	1,722,992	250,504	25,449	53,705
Total Liabilities, Fund Equity and Other Credits	\$4,700,692	\$460,051	\$25,449	\$1,141,723

See accompanying notes to the general purpose financial statements

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$32,309	\$120,839	\$0	\$0	\$2,358,736
0	0	0	0	3,384,244
0	0	0	0	175,781
177	0	0	0	86,316
0	0	0	0	300,850
1,157	0	0	0	59,039
49,477	0	0	0	49,477
0	0	0	0	117,431
37,476	0	12,269,672	0	12,307,148
0	0	0	25,449	25,449
0	0	0	234,449	234,449
<u>\$120,596</u>	<u>\$120,839</u>	<u>\$12,269,672</u>	<u>\$259,898</u>	<u>\$19,098,920</u>
\$6,715	\$914	\$0	\$0	\$232,858
9,172	0	0	0	592,369
0	0	0	219,630	234,902
30,000	0	0	0	300,850
2,417	0	0	7,647	100,087
0	0	0	0	3,090,694
0	157	0	0	157
0	31,948	0	0	31,948
0	0	0	7,172	7,172
0	0	0	25,449	25,449
<u>48,304</u>	<u>33,019</u>	<u>0</u>	<u>259,898</u>	<u>4,616,486</u>
0	0	12,269,672	0	12,269,672
202,024	0	0	0	202,024
(129,732)	0	0	0	(129,732)
0	1,913	0	0	452,737
0	5,000	0	0	5,000
0	0	0	0	0
0	0	0	0	293,550
0	0	0	0	117,431
0	80,907	0	0	1,271,752
<u>72,292</u>	<u>87,820</u>	<u>12,269,672</u>	<u>0</u>	<u>14,482,434</u>
<u>\$120,596</u>	<u>\$120,839</u>	<u>\$12,269,672</u>	<u>\$259,898</u>	<u>\$19,098,920</u>

See accompanying notes to the general purpose financial statements

Apollo Joint Vocational 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, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Revenues:</u>				
Taxes	\$2,707,980	\$0	\$0	\$670,401
Intergovernmental	2,802,095	898,331	0	126,701
Interest	189,721	16,955	0	0
Tuition and Fees	39,878	859,134	0	0
Gifts and Donations	0	0	0	0
Customer Services	55,545	0	0	0
Miscellaneous	44,294	90,420	0	0
Total Revenues	<u>5,839,513</u>	<u>1,864,840</u>	<u>0</u>	<u>797,102</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	416,940	0	0	0
Special	115,210	0	0	0
Vocational	2,546,474	1,310,415	0	302,777
Adult/Continuing	0	38,414	0	0
Support Services:				
Pupils	367,780	63,385	0	0
Instructional Staff	273,530	369,102	0	0
Board of Education	25,929	0	0	0
Administration	599,281	18,498	0	20,469
Fiscal	265,319	0	0	13,330
Operation and Maintenance of Plant	587,127	10,823	0	28,853
Pupil Transportation	7,175	206	0	22,808
Central	36,241	57,963	0	550,654
Operation of Non-Instructional				
Services	4,698	12,641	0	0
Extracurricular Activities	10,807	0	0	0
Capital Outlay	5,051	0	0	49,862
Debt Service:				
Principal Retirement	0	0	24,734	3,179
Interest and Fiscal Charges	0	0	0	713
Total Expenditures	<u>5,261,562</u>	<u>1,881,447</u>	<u>24,734</u>	<u>992,645</u>
Excess of Revenues Over (Under) Expenditures	<u>577,951</u>	<u>(16,607)</u>	<u>(24,734)</u>	<u>(195,543)</u>
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Fixed Assets	209,815	0	0	0
Operating Transfers In	0	25,000	0	0
Operating Transfers Out	(30,000)	0	0	0
Total Other Financing Sources	<u>179,815</u>	<u>25,000</u>	<u>0</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	757,766	8,393	(24,734)	(195,543)
Fund Balances at Beginning of Year	<u>965,226</u>	<u>242,111</u>	<u>50,183</u>	<u>249,248</u>
Fund Balances at End of Year	<u>\$1,722,992</u>	<u>\$250,504</u>	<u>\$25,449</u>	<u>\$53,705</u>

See accompanying notes to the general purpose financial statements

Fiduciary Fund Type	Totals (Memorandum Only)
Expendable Trust	
\$0	\$3,378,381
0	3,827,127
3,418	210,094
0	899,012
14,829	14,829
0	55,545
1,103	135,817
<u>19,350</u>	<u>8,520,805</u>
0	416,940
0	115,210
0	4,159,666
0	38,414
0	431,165
0	642,632
0	25,929
0	638,248
0	278,649
0	626,803
0	30,189
0	644,858
12,720	30,059
0	10,807
0	54,913
0	27,913
<u>0</u>	<u>713</u>
<u>12,720</u>	<u>8,173,108</u>
<u>6,630</u>	<u>347,697</u>
0	209,815
0	25,000
<u>0</u>	<u>(30,000)</u>
<u>0</u>	<u>204,815</u>
6,630	552,512
<u>71,936</u>	<u>1,578,704</u>
<u>\$78,566</u>	<u>\$2,131,216</u>

See accompanying notes to the general purpose financial statements

Apollo Joint Vocational School District
 Combined Statement of Revenues, Expenditures and
 Changes in Fund Balances - Budget and Actual (Budget Basis)
 All Governmental Fund Types and Similar Trust Funds
 For the Fiscal Year Ended June 30, 2000

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$2,528,070	\$2,582,529	\$54,459	\$0	\$0	\$0
Intergovernmental	2,216,085	2,802,095	586,010	1,168,825	929,400	(239,425)
Interest	159,344	193,626	34,282	15,000	16,955	1,955
Tuition and Fees	36,000	38,496	2,496	1,132,000	855,833	(276,167)
Gifts and Donations	0	0	0	85,000	0	(85,000)
Customer Services	63,800	55,545	(8,255)	0	0	0
Miscellaneous	48,500	46,338	(2,162)	26,350	10,660	(15,690)
Total Revenues	5,051,799	5,718,629	666,830	2,427,175	1,812,848	(614,327)
Expenditures:						
Current:						
Instruction:						
Regular	357,594	415,368	(57,774)	0	0	0
Special	115,450	112,394	3,056	0	0	0
Vocational	3,034,031	2,701,653	332,378	1,782,380	1,365,676	416,704
Adult/Continuing	0	0	0	48,890	39,381	9,509
Support Services:						
Pupils	478,022	392,401	85,621	125,692	67,105	58,587
Instructional Staff	307,437	288,123	19,314	519,444	400,257	119,187
Board of Education	43,100	28,875	14,225	100	0	100
Administration	701,488	645,711	55,777	18,559	18,481	78
Fiscal	319,646	288,983	30,663	0	0	0
Business	3,000	0	3,000	0	0	0
Operation and Maintenance of Plant	661,518	621,060	40,458	19,000	11,017	7,983
Pupil Transportation	14,817	6,724	8,093	0	0	0
Central	65,000	58,566	6,434	75,495	76,670	(1,175)
Operation of Non-Instructional Services						
Extracurricular Activities	12,000	4,698	7,302	22,873	22,873	0
Capital Outlay	19,000	10,907	8,093	0	0	0
Debt Service Payments	5,000	5,051	(51)	0	0	0
	0	0	0	0	0	0
Total Expenditures	6,137,103	5,580,514	556,589	2,612,433	2,001,460	610,973
Excess of Revenues Over (Under) Expenditures	(1,085,304)	138,115	1,223,419	(185,258)	(188,612)	(3,354)
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	154,844	57,974	(96,870)	0	0	0
Refund of Prior Year Expenditures	0	1,286	1,286	10,045	79,520	69,475
Refund of Prior Year Receipts	(600)	0	600	(2,789)	(2,789)	0
Contingency	(471,723)	0	471,723	0	0	0
Advances In	0	295,500	295,500	0	70,850	70,850
Advances Out	0	(300,850)	(300,850)	0	(144,500)	(144,500)
Operating Transfers In	0	0	0	59,026	25,000	(34,026)
Operating Transfers Out	(75,000)	(30,000)	45,000	0	0	0
Total Other Financing Sources (Uses)	(392,479)	23,910	416,389	66,282	28,081	(38,201)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,477,783)	162,025	1,639,808	(118,976)	(160,531)	(41,555)
Fund Balances at Beginning of Year	997,784	997,784	0	368,161	368,161	0
Prior Year Encumbrances Appropriated	186,167	186,167	0	57,690	57,690	0
Fund Balances (Deficit) at End of Year	(\$293,832)	\$1,345,976	\$1,639,808	\$306,875	\$265,320	(\$41,555)

See accompanying notes to the general purpose financial statements

Debt Service Fund			Capital Projects Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$706,000	\$705,110	(\$890)
0	0	0	122,000	126,701	4,701
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	204,000	0	(204,000)
0	0	0	1,032,000	831,811	(200,189)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	453,953	468,697	(14,744)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	7,000	0	7,000
0	0	0	0	0	0
0	0	0	36,500	32,545	3,955
0	0	0	20,000	13,330	6,670
0	0	0	0	0	0
0	0	0	25,000	43,203	(18,203)
0	0	0	15,000	22,808	(7,808)
0	0	0	653,766	731,021	(77,255)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	244,121	128,960	115,161
50,183	50,183	0	0	0	0
50,183	50,183	0	1,455,340	1,440,564	14,776
(50,183)	(50,183)	0	(423,340)	(608,753)	(185,413)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	200,000	200,000
0	0	0	0	(98,000)	(98,000)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	102,000	102,000
(50,183)	(50,183)	0	(423,340)	(506,753)	(83,413)
0	0	0	36,335	36,335	0
50,183	50,183	0	485,004	485,004	0
\$0	\$0	\$0	\$97,999	\$14,586	(\$83,413)

See accompanying notes to the general purpose financial statements

Apollo Joint Vocational School District
 Combined Statement of Revenues, Expenditures and
 Changes in Fund Balances - Budget and Actual (Budget Basis)
 All Governmental Fund Types and Similar Trust Funds
 For the Fiscal Year Ended June 30, 2000

	Expendable Trust Funds			Totals (Memorandum Only)		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>						
Taxes	\$0	\$0	\$0	\$3,234,070	\$3,287,639	\$53,569
Intergovernmental	0	0	0	3,506,910	3,858,196	351,286
Interest	4,950	3,418	(1,532)	179,294	213,999	34,705
Tuition and Fees	0	0	0	1,168,000	894,329	(273,671)
Gifts and Donations	18,150	14,829	(3,321)	103,150	14,829	(88,321)
Customer Services	0	0	0	63,800	55,545	(8,255)
Miscellaneous	900	936	36	279,750	57,934	(221,816)
Total Revenues	24,000	19,183	(4,817)	8,534,974	8,382,471	(152,503)
<u>Expenditures:</u>						
Current:						
Instruction:						
Regular	0	0	0	357,594	415,368	(57,774)
Special	0	0	0	115,450	112,394	3,056
Vocational	0	0	0	5,270,364	4,536,026	734,338
Adult/Continuing	0	0	0	48,890	39,381	9,509
Support Services:						
Pupils	0	0	0	603,714	459,506	144,208
Instructional Staff	0	0	0	833,881	688,380	145,501
Board of Education	0	0	0	43,200	28,875	14,325
Administration	0	0	0	756,547	696,737	59,810
Fiscal	0	0	0	339,646	302,313	37,333
Business	0	0	0	3,000	0	3,000
Operation and Maintenance of Plant	0	0	0	705,518	675,280	30,238
Pupil Transportation	0	0	0	29,817	29,532	285
Central	0	0	0	794,261	866,257	(71,996)
Operation of Non-Instructional Services						
Extracurricular Activities	34,315	15,221	19,094	69,188	42,792	26,396
Capital Outlay	0	0	0	19,000	10,907	8,093
Debt Service Payments	0	0	0	249,121	134,011	115,110
	0	0	0	50,183	50,183	0
Total Expenditures	34,315	15,221	19,094	10,289,374	9,087,942	1,201,432
Excess of Revenues Over (Under) Expenditures	(10,315)	3,962	14,277	(1,754,400)	(705,471)	1,048,929
<u>Other Financing Sources (Uses):</u>						
Proceeds from Sale of Fixed Assets	0	0	0	154,844	57,974	(96,870)
Refund of Prior Year Expenditures	0	167	167	10,045	80,973	70,928
Refund of Prior Year Receipts	0	0	0	(3,389)	(2,789)	600
Contingency	0	0	0	(471,723)	0	471,723
Advances In	0	0	0	0	566,350	566,350
Advances Out	0	0	0	0	(543,350)	(543,350)
Operating Transfers In	0	0	0	59,026	25,000	(34,026)
Operating Transfers Out	0	0	0	(75,000)	(30,000)	45,000
Total Other Financing Sources (Uses)	0	167	167	(326,197)	154,158	480,355
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(10,315)	4,129	14,444	(2,080,597)	(551,313)	1,529,284
Fund Balances at Beginning of Year	68,758	68,758	0	1,471,038	1,471,038	0
Prior Year Encumbrances Appropriated	3,815	3,815	0	782,859	782,859	0
Fund Balances (Deficit) at End of Year	\$62,258	\$76,702	\$14,444	\$173,300	\$1,702,584	\$1,529,284

See accompanying notes to the general purpose financial statements

Apollo Joint Vocational School District
 Combined Statement of Revenues,
 Expenses and Changes in Fund Equity
 Proprietary Fund Type and Similar Trust Funds
 For the Fiscal Year Ended June 30, 2000

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Nonexpendable Trust	
<u>Operating Revenues:</u>			
Sales	\$240,292	\$0	\$240,292
Interest	0	494	494
Total Operating Revenues	<u>240,292</u>	<u>494</u>	<u>240,786</u>
<u>Operating Expenses:</u>			
Salaries	57,775	0	57,775
Fringe Benefits	21,224	0	21,224
Cost of Sales	174,432	0	174,432
Depreciation	6,134	0	6,134
Other Operating Expenses	0	300	300
Total Operating Expenses	<u>259,565</u>	<u>300</u>	<u>259,865</u>
Operating Income (Loss)	<u>(19,273)</u>	<u>194</u>	<u>(19,079)</u>
<u>Non-Operating Revenues:</u>			
Operating Grants	1,995	0	1,995
Interest	1,148	0	1,148
Total Non-Operating Revenues	<u>3,143</u>	<u>0</u>	<u>3,143</u>
Income (Loss) Before Operating Transfers	(16,130)	194	(15,936)
Operating Transfers In	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Net Income (loss)	(11,130)	194	(10,936)
Retained Earnings/Fund Balance (Deficit) at Beginning of Year	<u>(118,602)</u>	<u>9,060</u>	<u>(109,542)</u>
Retained Earnings/Fund Balance (Deficit) at End of Year	(129,732)	9,254	(120,478)
Contributed Capital at Beginning of Year	202,024	0	202,024
Contributions from Other Funds	0	0	0
Contributed Capital at End of Year	<u>202,024</u>	<u>0</u>	<u>202,024</u>
Total Fund Equity at End of Year	<u>\$72,292</u>	<u>\$9,254</u>	<u>\$81,546</u>

See accompanying notes to the general purpose financial statements

Apollo Joint Vocational School District
 Combined Statement of Revenues, Expenses and
 Changes in Fund Equity - Budget and Actual (Budget Basis)
 Proprietary Fund Type and Similar Trust Funds
 For the Fiscal Year Ended June 30, 2000

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$280,300	\$240,292	(\$40,008)
Interest	1,400	1,148	(252)
Operating Grants	4,200	2,103	(2,097)
Total Revenues	285,900	243,543	(42,357)
<u>Expenses:</u>			
Salaries	49,000	57,546	(8,546)
Fringe Benefits	27,600	20,962	6,638
Materials and Supplies	212,364	207,114	5,250
Refund of Prior Year Revenues	100	0	100
Other	0	0	0
Total Expenses	289,064	285,622	3,442
Excess of Revenues Over (Under) Expenses	(3,164)	(42,079)	(38,915)
Advances In	0	30,000	30,000
Advances Out	0	(50,000)	(50,000)
Operating Transfers In	5,000	5,000	0
Excess of Revenues Over (Under) Expenses, Advances and Operating Transfers	1,836	(57,079)	(58,915)
Fund Equity at Beginning of Year	18,207	18,207	0
Prior Year Encumbrances Appropriated	40,164	40,164	0
Fund Equity at End of Year	\$60,207	\$1,292	(\$58,915)

See accompanying notes to the general purpose financial statements

Nonexpendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$280,300	\$240,292	(\$40,008)
400	494	94	1,800	1,642	(158)
0	0	0	4,200	2,103	(2,097)
<u>400</u>	<u>494</u>	<u>94</u>	<u>286,300</u>	<u>244,037</u>	<u>(42,263)</u>
0	0	0	49,000	57,546	(8,546)
0	0	0	27,600	20,962	6,638
0	0	0	212,364	207,114	5,250
0	0	0	100	0	100
<u>600</u>	<u>600</u>	<u>0</u>	<u>600</u>	<u>600</u>	<u>0</u>
<u>600</u>	<u>600</u>	<u>0</u>	<u>289,664</u>	<u>286,222</u>	<u>3,442</u>
(200)	(106)	94	(3,364)	(42,185)	(38,821)
0	0	0	0	30,000	30,000
0	0	0	0	(50,000)	(50,000)
<u>0</u>	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
(200)	(106)	94	1,636	(57,185)	(58,821)
9,360	9,360	0	27,567	27,567	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>40,164</u>	<u>40,164</u>	<u>0</u>
<u>\$9,160</u>	<u>\$9,254</u>	<u>\$94</u>	<u>\$69,367</u>	<u>\$10,546</u>	<u>(\$58,821)</u>

See accompanying notes to the general purpose financial statements

Apollo Career Center
 Combined Statement of Cash Flows
 Proprietary Fund Type and Similar Trust Funds
 For the Fiscal Year Ended June 30, 2000

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Nonexpendable Trust	
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>			
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$240,292	\$0	\$240,292
Cash Payments to Suppliers for Goods and Services	(176,158)	0	(176,158)
Cash Payments to Employees for Services	(57,546)	0	(57,546)
Cash Payments for Employee Benefits	(20,901)	0	(20,901)
Cash Payments for Other Expenses	0	(600)	(600)
Net Cash Used for Operating Activities	<u>(14,313)</u>	<u>(600)</u>	<u>(14,913)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating Grants Received	2,103	0	2,103
Advances Receives from Other Funds	30,000	0	30,000
Operating Transfers In	5,000	0	5,000
Advances Repaid to Other Funds	(50,000)	0	(50,000)
Net Cash Used for Noncapital Financing Activities	<u>(12,897)</u>	<u>0</u>	<u>(12,897)</u>
<u>Cash Flows from Investing Activities:</u>			
Interest on Investments	1,148	494	1,642
Net Cash Provided by Investing Activities	<u>1,148</u>	<u>494</u>	<u>1,642</u>
Net Decrease in Cash and Cash Equivalents	(26,062)	(106)	(26,168)
Cash and Cash Equivalents at Beginning of Year	<u>58,371</u>	<u>9,360</u>	<u>67,731</u>
Cash and Cash Equivalents at End of Year	<u>\$32,309</u>	<u>\$9,254</u>	<u>\$41,563</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:</u>			
Operating Income (Loss)	<u>(\$19,273)</u>	<u>\$194</u>	<u>(\$19,079)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used for Operating Activities:			
Depreciation	6,134	0	6,134
Interest Revenue	0	(494)	(494)
Changes in Assets and Liabilities:			
Increase in Prepaid Items	(295)	0	(295)
Increase in Inventory Held for Resale	(5,659)	0	(5,659)
Increase (Decrease) in Accounts Payable	3,933	(300)	3,633
Increase in Accrued Wages and Benefits	851	0	851
Decrease in Intergovernmental Payable	(4)	0	(4)
Total Adjustments	<u>4,960</u>	<u>(794)</u>	<u>4,166</u>
Net Cash Used for Operating Activities	<u>(\$14,313)</u>	<u>(\$600)</u>	<u>(\$14,913)</u>
<u>Reconciliation of Trust and Agency Funds:</u>			
Cash and Cash Equivalents - All Fiduciary Funds:		\$120,839	
Cash and Cash Equivalents - Agency Funds		(32,105)	
Cash and Cash Equivalents - Expendable Trust Funds		<u>(79,480)</u>	
Cash and Cash Equivalents - Nonexpendable Trust Fund		<u>\$9,254</u>	

See accompanying notes to the general purpose financial statements

Apollo Joint Vocational School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Apollo Career Center (the School District) is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating school districts' elected boards, which possesses its own budgeting and taxing authority. The School District exposes students to job training leading to employment upon graduation from high school.

The School District was established on February 12, 1973. The School District serves Allen and five other surrounding counties. It is staffed by 30 non-certificated employees and 73 certificated full-time teaching personnel who provide services to 561 students and approximately 5,000 full and part time post secondary students and other community members. The School District currently operates one instructional and administrative building.

Reporting Entity:

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

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

The School District is associated with one jointly governed organization and two insurance purchasing pools. These organizations include the Northwest Ohio Area Computer Services Cooperative, Allen Health Benefit Plan, and the Northwest Ohio Area Computer Services Cooperative Workers' Compensation Group Rating Plan. These organizations are presented in Notes 18 and 19 to the general purpose financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Apollo Joint Vocational School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

A. Basis Of Presentation - Fund Accounting

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

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

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

Governmental Fund Types:

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

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

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

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

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

Proprietary Fund Type:

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

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

Apollo Joint Vocational School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

Fiduciary Fund Types:

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

Account Groups:

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

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

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

B. Measurement Focus and Basis of Accounting

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

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

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

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

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

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed

Apollo Joint Vocational School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2000, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2001 operations, have been recorded as deferred revenue.

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

The accrual basis of accounting is utilized for reporting purposes by the enterprise funds and the nonexpendable trust fund. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred.

C. Budgetary Process

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

All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each fund and function. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Advances in and Advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

Tax Budget:

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

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

Estimated Resources:

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

Apollo Joint Vocational School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

Appropriations:

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

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriation resolutions were legally enacted; however, none of these amendments were significant.

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

Encumbrances:

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

Lapsing of Appropriations:

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

D. Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School 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 year 2000, investments were limited to non-negotiable certificates of deposit, repurchase agreements, STAROhio and federal securities. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Non-negotiable certificates of deposit and repurchase agreements are reported at cost.

The School District had invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2000. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2000.

Apollo Joint Vocational School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

Following State statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credit to the General Fund during fiscal year 2000 amount to \$189,721 which includes approximately \$29,000 assigned from other School District funds.

For purposes of the Combined Statement of Cash Flows and for presentation of the Combined Balance Sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

E. Inventory

Inventories of enterprise funds are stated at the lower of cost or market. Cost is determined on a first-in, first-out basis. Inventories of enterprise funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

F. Prepaid Items

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

G. Restricted Assets

Restricted assets in the General Fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include unexpended revenues restricted for the purchase of buses and amounts required by statute to be set-aside by the School District for the acquisition or construction of capital assets, the purchase of textbooks and other instructional material and the creation of a reserve for budget stabilization. See Note 15 for additional information regarding set-asides.

H. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the enterprise funds are capitalized in the related 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 three hundred dollars. The School District does not have any infrastructure.

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

Assets in the 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.

I. 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. Grants and entitlements for fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

Apollo Joint Vocational School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

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

Entitlements

General Fund

State Property Tax Relief
Special Education Program
Academic Funding Program

Special Revenue Funds

Adult Unit and Short Term Class Reimbursement

Non-Reimbursable Grants

Special Revenue Funds

Adult Basic Education
Vocational Education
Title VI
Pell Grant
Economic Education Grant
Career Education Grant
Miscellaneous State Grants
Professional Development Block Grant

Reimbursable Grants

Special Revenue Funds

Vocational Education Equipment Reimbursement Grant

Proprietary Funds

National School Free Milk Program

Grants and entitlements amounted to 44 percent of the School District's governmental operating revenue during the 2000 fiscal year.

J. Interfund Assets/Liabilities

Short-term interfund loans are classified as "interfund receivables" and "interfund payables".

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

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

L. Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required

Apollo Joint Vocational School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

pension contributions that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Payments made more than two months after fiscal year end are considered not to have used current available financial resources. Capital leases and long-term loans are reported as a liability of the general long-term obligations account group until due.

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

M. 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.

N. Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, contributions, property taxes, and budget stabilization.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures. The reserve for contributions signifies the legal restrictions on the use of principal.

O. Contributed Capital

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

Because the School District did not prepare financial statements in accordance with generally accepted accounting principles prior to fiscal year 1991, the exact amount of contributed capital cannot be determined. Consequently, only those amounts that have been specifically identified have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to funds have been classified as retained earnings.

P. Use of Estimates

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

Q. Total Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned "Total - (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position,

Apollo Joint Vocational School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund elimination's have not been made in the aggregation of this data.

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
GAAP Basis	\$757,766	\$8,393	(\$24,734)	(\$195,543)	\$6,630
Revenue Accruals	(275,911)	16,961	0	34,709	0
Expenditure Accruals	(123,770)	(29,353)	0	(40,640)	277
Change in Fair Value	3,905	0	0	0	0
Prepaid Items	(6,079)	(3,104)	0	0	0
Advances In	295,500	70,850	0	200,000	0
Advances Out	(300,850)	(144,500)	0	(98,000)	0
Encumbrances	(188,536)	(79,778)	(25,449)	(407,279)	(2,778)
Budget Basis	<u>\$162,025</u>	<u>(\$160,531)</u>	<u>(\$50,183)</u>	<u>(\$506,753)</u>	<u>\$4,129</u>

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	Proprietary Fund Type and Similar Trust Fund	
	Enterprise	Nonexpendable Trust
Net Income (Loss)/Excess of Revenues Under Expenses, Transfers and Advances		
GAAP Basis	(\$11,130)	\$194
Revenue Accrual	108	0
Expense Accrual	4,780	(300)
Prepaid Items	(295)	0
Advances In	30,000	0
Advances Out	(50,000)	0
Depreciation	6,134	0
Inventory Held for Resale	(5,659)	0
Encumbrances	(31,017)	0
Budget Basis	(\$57,079)	(\$106)

NOTE 4 - DEPOSITS AND INVESTMENTS

The Treasurer is responsible for selecting depositories and investing funds. State statutes classify monies held by the School District into three categories.

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

Inactive deposits are public deposits that 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 or deposit accounts including passbook accounts.

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 services shall be direct issuance of federal government agencies or instrumentality;

Apollo Joint Vocational School District
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3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division 1. or 2. 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 (STAROhio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed twenty-five percent of interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classification by at least two nationally recognized rating agencies.

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

Protection of the School 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.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Deposits: At fiscal year end, the carrying amount of the School District's deposits was \$894,725 and the bank balance was \$1,156,484. Of the bank balance, \$200,000 was covered by federal depository insurance and \$956,484 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department in the School District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

Investments: The School District's investments are categorized below to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counter party's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter party, or by its trust department or agent but not in the School District's name. During fiscal year 2000, the School District invested in certificates of deposit, federal securities, repurchase agreements and STAR Ohio. The School District's investments in STAR Ohio, an investment pool operated by the Ohio State Treasurer, is an unclassified investments since it are not evidenced by securities that exist in physical or book entry form.

Apollo Joint Vocational School District
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	Category 2	Category 3	Carrying Value	Fair Value
Repurchase Agreements	\$0	\$274,563	\$274,563	\$274,563
Federal Home Loan Bank	496,095	0	496,095	496,095
	\$496,095	\$274,563	\$770,658	770,658
STAR Ohio				810,784
Total				\$1,581,442

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$2,476,167	\$0
Investments:		
Repurchase Agreements	(274,563)	274,563
Federal Home Loan Bank	(496,095)	496,095
STAR Ohio	(810,784)	810,784
GASB Statement 3	\$894,725	\$1,581,442

NOTE 5 - PROPERTY TAXES

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

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

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

Apollo Joint Vocational School District
Notes to the General Purpose Financial Statements
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Tangible personal property tax revenues received in calendar year 2000 (other than public utility property) represent the collection of calendar year 2000 taxes. For 2000, tangible personal property taxes were levied after April 1, 1999, on the value as of December 31, 1998, the lien date. Tangible personal property is currently assessed at 25 percent of true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

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

Accrued property taxes receivable represents delinquent taxes outstanding and real property, public utility property, and tangible personal property taxes which were measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2000, was \$286,336 in the general fund and \$7,214 in the permanent improvement fund.

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

	1999 Second- Half Collections		2000 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$1,142,124,100	70.39%	\$1,203,273,500	71.73%
Public Utility	116,209,300	7.16%	117,237,770	6.99%
Tangible Personal Property	365,307,577	22.45%	365,925,743	21.28%
Total Assessed Value	\$1,623,640,977	100.00%	\$1,686,434,013	100.00%
Tax rate per \$1,000 of Assessed valuation	\$2.20		\$2.20	

NOTE 6 - RECEIVABLES

Receivables at June 30, 2000, consisted of property taxes, accounts (rent, billings for user charged services, sale of constructed house, and student fees), interfund, and intergovernmental grants. 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 fiscal year guarantee of federal funds.

Apollo Joint Vocational School District
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A summary of the principal items of intergovernmental receivables follows:

	Amounts
Special Revenue Funds	
Tech Prep	\$30,000
Wellness Block Grant	2,180
Adult Education	52,235
Title VI	1,724
Total Special Revenue Funds	86,139
Enterprise Funds	
Cafeteria	
State Reimbursement	177
Total All Funds	\$86,316

NOTE 7 - FIXED ASSETS

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

Furniture and Equipment	\$182,678
Less Accumulated Depreciation	(145,202)
Net Fixed Assets	\$37,476

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

Asset Category	Balance at 6/30/1999	Additions	Deletions	Balance at 6/30/2000
Land and Improvements	\$306,420	\$180,044	\$0	\$486,464
Buildings and Improvements	7,255,351	79,086	2,747	7,331,690
Furniture, Fixtures and Equipment	4,013,073	431,864	205,201	4,239,736
Vehicles	181,304	62,179	33,676	209,807
Books	1,975	0	0	1,975
Totals	\$11,758,123	753,173	241,624	\$12,269,672

NOTE 8 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2000, the School District contracted with Nationwide Insurance Company for general liability insurance with a \$2,000,000 single occurrence

Apollo Joint Vocational School District
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For the Fiscal Year Ended June 30, 2000

limit and a \$5,000,000 aggregate. Property is protected by Indiana Insurance and holds a \$3,000 deductible.

The School District's vans are covered by the Indiana Insurance Company and hold a \$250 deductible and a \$1,000,000 limit on any accident. The bus fleet and maintenance vehicles are insured by Indiana Insurance with a \$250 deductible and a \$1,000,000 limit per occurrence. Comprehensive insurance on all vehicles is held with Indiana Union with a \$250 deductible.

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

The School District participates in the Northwest Ohio Area Computer Services Cooperative Workers' Compensation Group Rating Program (the Plan), an insurance purchasing pool (Note 19). The Plan is intended to reduce premiums for the participants. 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 Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate.

Participation in the Plan is limited to educational entities that can meet the Plan's selection criteria. Each participant must apply annually. The Plan provides the participants with a centralized program for the processing, analysis and management of workers' compensation claims and a risk management program to assist in developing safer work environments. Each participant must pay its premiums, enrollment or other fees, and perform its obligations in accordance with the terms of the agreement.

The School District participates in the Allen Health Benefits Plan (the Plan), a public entity risk pool consisting of ten school districts and the Allen County Educational Service Center. The School District pays monthly premiums to the Plan for employee medical, dental, and vision benefits. The Plan is responsible for the management and operations of the program and the payment of claims. Upon withdrawal from the Plan, a participant is responsible for the payment of all Plan liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

NOTE 9 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute an actuarially determined rate. The current rate is 14 percent of annual covered payroll; 5.5 percent was the portion used to fund pension obligations for fiscal year 2000. For fiscal year 1999, 7.7 percent was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The School District's required contribution for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998, were \$51,588, \$60,927, and \$78,685, respectively; 97 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. The unpaid contribution for fiscal year 2000, in the amount of \$1,658, is recorded as a liability within the respective funds.

Apollo Joint Vocational School District
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B. State Teachers Retirement System

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

Plan members are required to contribute 9.3 percent of their annual covered salary and the School District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations for fiscal year 2000. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contribution for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998, were \$224,380, \$216,450, and \$366,357, respectively; 87 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. The unpaid contribution for fiscal year 2000, in the amount of \$29,401, is recorded as a liability within the respective funds.

C. Social Security System

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

NOTE 10 - POSTEMPLOYMENT BENEFITS

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For fiscal year 2000, the Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$299,173 for fiscal year 2000.

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

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

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For this fiscal year, employer contributions to fund health care benefits were 8.5 percent of covered payroll, an increase from 6.3 percent for fiscal year 1999. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay has been established at \$12,400. For the School District, the amount to fund health care benefits, including the surcharge, was \$88,614 for fiscal year 2000.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 1999, were \$126,380,984, and the target level was \$189.6 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$188 million. SERS has approximately 51,000 participants currently receiving health care benefits.

NOTE 11 - EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees, the superintendent, treasurer, and director earn five to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 225 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 50 days.

B. Health Care Benefits

The School District has elected to provide employee medical/surgical and dental benefits through the Allen County Schools Health Benefits Plan. The employees share the cost of the monthly premium with the Board. The premium varies with employees depending on the terms of the union contract.

C. Life Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees through CoreSource.

NOTE 12 - CAPITAL LEASES - LESSEE DISCLOSURE

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

General fixed assets consisting of equipment and furniture and fixtures have been capitalized in the general fixed assets account group in the amount of \$23,898. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in fiscal year 2000 totaled \$3,179 in the governmental funds.

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

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Fiscal Year Ending June 30,	GLTDAG
2001	\$3,892
2002	3,568
Total Minimum Lease Payments	7,460
Less: Amount Representing Interest	(288)
Present Value of Minimum Lease Payments	\$7,172

NOTE 13 - LONG-TERM OBLIGATIONS

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

	Balance 6/30/1999	Additions	Reductions	Balance 6/30/2000
Energy Conservation Loan 1997 0%	\$31,213	\$0	\$17,836	\$13,377
Energy Conservation Loan 1998 0%	18,970	0	6,898	12,072
Capital Leases	10,351	0	3,179	7,172
Intergovernmental Payable	10,808	7,647	10,808	7,647
Compensated Absences	228,634	0	9,004	219,630
Total General Long-Term Obligations	\$299,976	\$7,647	\$47,725	\$259,898

Energy Conservation Loan - In February, 1997 and March, 1998, Apollo Career Center issued \$89,181 and \$34,490, respectively, in unvoted general obligation loans for the purpose of providing energy conservation measures for the School District, under the authority of Ohio Revised Code sections 133.06(G) and 3313.372. The notes were issued for a five year period with final maturity during fiscal year 2001 and 2002, respectively. Monthly payments of \$1,486 and \$575, respectively, will be made throughout the term of the loan. The loan will be retired from the debt service fund.

Capital leases will be paid from the permanent improvement fund. Compensated absences and the intergovernmental payable will be paid from the fund from which the employees' salaries are paid. The change in compensated absences is presented net because it is not practical to determine the actual increase and decrease.

The School District's overall legal debt margin was \$150,969,061 with an unvoted debt margin of \$1,677,434 at June 30, 2000.

Principal requirements to retire general obligation debt outstanding at June 30, 2000, are as follows:

Fiscal year Ending June 30,	Principal
2001	\$20,277
2002	5,172
Total	\$25,449

Apollo Joint Vocational School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 14 - RESERVATIONS OF FUND BALANCE

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

The following cash basis information describes the change in the fiscal year end set aside amounts for textbooks, capital acquisition, and budget stabilization. Disclosure of this information is required by State statute.

	Budget Stabilization Reserve	Capital Improvements Reserve	Textbooks/ Instructional Materials Reserve
Set-aside Reserve Balance as of June 30, 1999	\$69,128	\$0	\$0
Current Year Set-aside Requirement	48,303	144,908	144,908
Current Year Offsets	0	(705,110)	0
Qualifying Disbursements	0	(1,019,955)	(178,205)
Set-aside Balance Carried Forward to Future Fiscal Years	<u>117,431</u>	<u>(1,580,157)</u>	<u>(33,297)</u>
Set-aside Reserve Balance as of June 30, 2000	<u>\$117,431</u>	<u>\$0</u>	<u>\$0</u>

The School District had qualifying disbursements and offsets during the fiscal year that reduced the textbook and/or capital improvements set-aside amounts below zero. These extra amounts may be used to reduce the set-aside requirements in future fiscal years. The total reserve balance for the three set-asides at the end of the fiscal year was \$117,431.

Apollo Joint Vocational School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 15 - INTERFUND ACTIVITY

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

Fund Type/Fund	Interfund	
	Receivable	Payable
General Fund	\$300,850	\$0
Special Revenue Funds:		
Economic Education	0	2,400
Career Education	0	9,000
Miscellaneous State Grants	0	10,950
ABLE	0	1,700
Vocational Education	0	45,000
Title VI	0	1,800
Total Special Revenue Funds	0	70,850
Capital Projects Fund		
Permanent Improvement	0	200,000
Enterprise Fund:		
Uniform School Supply	0	30,000
Total All Funds	\$300,850	\$300,850

Advances in and advances out will not balance in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis), All Governmental Fund Types and Similar Trust Funds and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Budget Basis), All Proprietary Fund Type and Similar Trust Fund because advances were made between the general fund and the agency funds.

NOTE 16 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The School District maintains two enterprise funds to account for the operations of the cafeteria and uniform school supplies. The table below reflects the more significant financial data relating to the enterprise funds of the Apollo Career Center as of and for the fiscal year ended June 30, 2000.

Apollo Joint Vocational School District
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For the Fiscal Year Ended June 30, 2000

	Food Service	Uniform School Supplies	Total Enterprise Funds
Operating Revenues	\$166,554	\$73,738	\$240,292
Depreciation Expense	6,134	0	6,134
Operating Income (Loss)	(19,043)	(230)	(19,273)
Operating Grants	1,995	0	1,995
Operating Transfers-In	5,000	0	5,000
Net Income (Loss)	(11,860)	730	(11,130)
Net Working Capital	(4,630)	39,446	34,816
Total Assets	44,435	76,161	120,596
Total Equity	32,846	39,446	72,292
Encumbrances Outstanding at June 30, 2000 (Budget Basis)	61	30,956	31,017

NOTE 17 - JOINTLY GOVERNED ORGANIZATION

The School District is a participant in the Northwest Ohio Area Computer Services Cooperative (NOACSC) which is a computer consortium. NOACSC is an association of public school districts within the boundaries of Allen, Putnam, Mercer, Paulding and Van Wert Counties and Cities of Wapakoneta and St. Marys. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The legislative and advisory body is the assembly which is comprised of the superintendents of the participating schools. The degree of control exercised by any participating school district is limited to its representation on the assembly, which elects the board of directors. The board of directors exercises total control over the operation of NOACSC including budgeting, appropriating, contracting and designating management. Financial information can be obtained from Michael Wildermuth, who serves as director, at 645 South Main Street, Lima, Ohio 45804-1241.

NOTE 18 - INSURANCE PURCHASING POOLS

The School District participates in the Northwest Ohio Area Computer Services Cooperative Workers' Compensation Group Rating Program (the Plan), an insurance purchasing pool. The Plan's business and affairs are conducted by a twenty-five member Board of directors consisting of the two representatives from each county elected by a majority of vote of all charter member schools within each county plus one representative from the fiscal agent. The Treasurer of Findlay City Schools serves as coordinator of the Plan. Each year, the participating school districts pay an enrollment fee to the Plan to cover the costs of administering the program.

The School District participates in the Allen County Schools Health Benefits Plan (the Plan), a public entity shared risk pool consisting of the school districts within Allen County. The Plan is organized as a Voluntary Employee Benefit Association under Section 501(c)(9) of the Internal Revenue Code and provides sick, accident and other benefits to the employees of the participating school districts. Each participating school district's superintendent is appointed to an Board of Directors which advises the Trustee, Allen County Educational Services Center, concerning aspects of the administration of the Plan.

Each school district decides which plans offered by the Board of Directors will be extended to its employees. Participation in the Plan is by written application subject to acceptance by the Board of Directors and payment of the monthly premiums. Financial information can be obtained from Don Smith, who serves as Chairman, at 204 North Main Street, Lima, Ohio 45801.

Apollo Joint Vocational School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 19 – SCHOOL FUNDING

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's Legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "School Foundation Program", which provides significant monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$2,542,376 of school foundation support for its general fund.

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

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

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

Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

December 13, 2000

To the Board of Education
Apollo Joint Vocational School District
3325 Shawnee Road
Lima, Ohio 45806

**Independent Auditor's
Report on Compliance and on Internal Control
Over Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

We have audited the general purpose financial statements of Apollo Joint Vocational School District as of and for the year ended June 30, 2000, and have issued our report thereon dated December 13, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's 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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

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

Rea & Associates, Inc.

Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

December 13, 2000

Board of Education
Apollo Joint Vocational School District
3325 Shawnee Road
Lima, Ohio 45806

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

Compliance

We have audited the compliance of Apollo Joint Vocational School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2000. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program 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 State, 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, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2000.

Internal Control Over Compliance

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

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

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of the District as of and for the year ended June 30, 2000, and have issued our report thereon dated December 13, 2000. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements of the District. 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.

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

Rea & Associates, Inc.

**APOLLO JOINT VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Federal Grantor/Pass Through Grantor/Program Title	CFDA Number	Grant Number	Federal Receipts	Federal Disbursements
U.S. Department of Education				
(Direct Program):				
Pell Grant	84.063	99-00	\$91,996	\$91,996
Pell Grant	84.063	98-99	3,186	3,186
<i>Total Pell Grant</i>			<u>95,182</u>	<u>95,182</u>
(Passed Through Ohio Department of Education):				
Adult Combined Education	84.002	AB-S1-00	25,894	25,894
<i>Total Adult Combined Education</i>			<u>25,894</u>	<u>25,894</u>
Vocational Education	84.048	VESP-CB99-050773	0	789
Vocational Education	84.048	CPII-S00-001	167,050	184,218
Vocational Education	84.048	CPII-S99-001	26,758	2,154
Vocational Education	84.048	CPII-A00-001	67,945	72,741
Vocational Education	84.048	CPII-A99-001	10,870	0
<i>Total Vocational Education</i>			<u>272,623</u>	<u>259,902</u>
Eisenhower Prof. Dev. State Grant	84.281	MS-S1-2000P	1,284	1,284
Eisenhower Prof. Dev. State Grant	84.281	MS-S1-2001P	1,169	0
<i>Total Eisenhower Prof. Dev. State Grant</i>			<u>2,453</u>	<u>1,284</u>
Innovative Education Program Strategies	84.298	CS-S1-00	739	2,463
Innovative Education Program Strategies	84.298	CS-S1-99	351	351
<i>Total Innovative Education Program Strategies</i>			<u>1,090</u>	<u>2,814</u>
Total U.S. Department of Education			<u>397,242</u>	<u>385,076</u>
U.S. Department of Agriculture				
(Passed Through Ohio Department of Education):				
Special Milk Program	10.556	02-PU-00	2,103	2,103
<i>Total Special Milk Program</i>			<u>2,103</u>	<u>2,103</u>
Total U.S. Department of Agriculture			<u>2,103</u>	<u>2,103</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u><u>\$399,345</u></u>	<u><u>\$387,179</u></u>

**APOLLO JOINT VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 , Section .505
JUNE 30, 2000**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None were noted

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None were noted



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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APOLLO JOINT VOCATIONAL 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.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 16, 2001**