

**CALDWELL EXEMPTED
VILLAGE SCHOOL DISTRICT
NOBLE COUNTY, OHIO**

***GENERAL PURPOSE FINANCIAL STATEMENTS
(AUDITED)
FOR THE FISCAL YEAR ENDED
JUNE 30, 2000***

CHARLES RADCLIFF, TREASURER



STATE OF OHIO
OFFICE OF THE AUDITOR

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Board of Education
Caldwell Exempted Village School District
Caldwell, Ohio 43724

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

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

JIM PETRO
Auditor of State

December 20, 2000

**CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT
NOBLE COUNTY, OHIO**

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Independent Auditor's Report

Board of Education
Caldwell Exempted Village School District
516 Fairground Street
Caldwell, Ohio 43724

We have audited the accompanying general purpose financial statements of the Caldwell Exempted Village School District, Noble County, (the “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 School District’s management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Caldwell Exempted Village School District, Noble County, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2000 on our consideration of the District’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the District, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Trimble, Julian & Grube, Inc.
November 22, 2000

Caldwell Exempted Village School District, Ohio
 Combined Balance Sheet
 All Fund Types and Account Groups
 June 30, 2000

	Governmental Fund Types			Proprietary Fund Types			Fiduciary Fund Type		Account Groups		Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Agency	General	Long-Term Obligations	Fixed Assets	
								General	Fixed Assets		
Assets and Other Debits:											
<u>Assets:</u>											
Equity in Pooled Cash and Cash Equivalents	\$2,045,800	\$181,042	\$206,312	\$376,779	\$52,596	\$0	\$24,056	\$0	\$0	\$0	\$2,886,585
Cash and Cash Equivalents:											
With Escrow Agents	0	0	0	0	0	0	12,310	0	0	0	12,310
With Fiscal Agents	0	0	0	0	0	1,029,666	0	0	0	0	1,029,666
Receivables:											
Property and Other Taxes	1,831,355	36,922	306,401	0	0	0	0	0	0	0	2,174,678
Accounts	127	890	0	0	0	0	0	0	0	0	1,017
Intergovernmental	0	39,000	0	0	0	0	0	0	0	0	39,000
Prepaid Items	62,517	3,099	0	0	0	0	0	0	0	0	65,616
Inventory Held for Resale	0	0	0	0	9,960	0	0	0	0	0	9,960
Materials and Supplies Inventory	0	0	0	0	2,223	0	0	0	0	0	2,223
Restricted Assets:											
Cash and Cash Equivalents	28,284	0	0	0	0	0	0	0	0	0	28,284
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0	31,283	0	0	11,576,400	0	0	11,607,683
Other Debits:											
Amount Available in Debt Service Fund	0	0	0	0	0	0	0	0	226,042	0	226,042
Amount to be Provided from General Government Resources	0	0	0	0	0	0	0	0	1,372,099	0	1,372,099
Total Assets and Other Debits	\$3,968,083	\$260,953	\$512,713	\$376,779	\$96,062	\$1,029,666	\$36,366	\$11,576,400	\$1,598,141	\$1,372,099	\$19,455,163

Caldwell Exempted Village School District, Ohio
 Combined Balance Sheet
 All Fund Types and Account Groups
 June 30, 2000

	Governmental Fund Types				Proprietary Fund Types			Fiduciary Fund Type		Account Groups		Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations			
<u>Liabilities, Fund Equity and Other Credits:</u>												
<u>Liabilities:</u>												
Accounts Payable	\$57,248	\$4,236	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$61,484
Accrued Wages and Benefits Payable	602,100	53,707	0	0	19,720	0	0	0	0	0	0	675,527
Compensated Absences Payable	30,827	0	0	0	6,725	0	0	0	0	0	347,754	385,306
Intergovernmental Payable	142,082	14,584	0	0	11,588	0	0	0	0	0	47,988	216,242
Deferred Revenue	1,713,922	34,456	286,671	0	5,823	0	0	0	0	0	0	2,040,872
Undistributed Monies	0	0	0	0	0	0	0	12,310	0	0	0	12,310
Due to Students	0	0	0	0	0	0	0	24,056	0	0	0	24,056
Claims Payable	0	0	0	0	0	99,564	0	0	0	0	0	99,564
General Obligation Bonds Payable	0	0	0	0	0	0	0	0	0	0	1,095,000	1,095,000
Tax Refund Payable	0	0	0	0	0	0	0	0	0	0	107,399	107,399
Total Liabilities	2,546,179	106,983	286,671	0	43,856	99,564	36,366	0	1,598,141	0	4,717,760	
<u>Fund Equity and Other Credits:</u>												
Investment in General Fixed Assets	0	0	0	0	0	0	0	0	0	11,576,400	0	11,576,400
Contributed Capital	0	0	0	0	157,070	0	0	0	0	0	0	157,070
Retained Earnings/(Deficit):												
Unreserved	0	0	0	0	(104,864)	930,102	0	0	0	0	0	825,238
<u>Fund Balance:</u>												
Reserved for Encumbrances	414,835	36,889	0	7,914	0	0	0	0	0	0	0	459,638
Reserved for Debt Service	0	0	206,312	0	0	0	0	0	0	0	0	206,312
Reserved for Unclaimed Monies	143	0	0	0	0	0	0	0	0	0	0	143
Reserved for Property Taxes	117,433	2,466	19,730	0	0	0	0	0	0	0	0	139,629
Reserved for Budget Stabilization	28,284	0	0	0	0	0	0	0	0	0	0	28,284
Designated for Budget Stabilization	40,000	0	0	0	0	0	0	0	0	0	0	40,000
Unreserved, Undesignated	821,209	114,615	0	368,865	0	0	0	0	0	0	0	1,304,689
Total Fund Equity and Other Credits	1,421,904	153,970	226,042	376,779	52,206	930,102	0	11,576,400	0	0	14,737,403	
Total Liabilities, Fund Equity and Other Credits	\$3,968,083	\$260,953	\$512,713	\$376,779	\$96,062	\$1,029,666	\$36,366	\$11,576,400	\$1,598,141	\$0	\$19,455,163	

Caldwell Exempted Village School District, Ohio
 Combined Statement of Revenues, Expenditures
 and Changes in Fund Balances
 All Governmental Fund Types
 For the Fiscal Year Ended June 30, 2000

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<u>Revenues:</u>					
Property and Other Taxes	\$1,735,020	\$35,129	\$290,528	\$0	\$2,060,677
Intergovernmental	3,510,191	444,053	33,525	200	3,987,969
Interest	160,354	0	0	737	161,091
Tuition and Fees	67,971	0	0	0	67,971
Rent	931	0	0	0	931
Extracurricular Activities	0	144,953	0	0	144,953
Miscellaneous	26,911	14,388	0	0	41,299
Total Revenues	5,501,378	638,523	324,053	937	6,464,891
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	2,688,820	105,555	0	0	2,794,375
Special	471,737	205,257	0	0	676,994
Vocational	100,185	1,050	0	0	101,235
Adult/Continuing	2,908	147	0	0	3,055
Other	1,641	0	0	0	1,641
Support Services:					
Pupils	232,128	32,401	0	0	264,529
Instructional Staff	152,428	84,623	0	0	237,051
Board of Education	51,699	0	0	0	51,699
Administration	511,090	81,241	0	0	592,331
Fiscal	190,673	3,249	11,982	0	205,904
Operation and Maintenance of Plant	441,307	63,445	0	0	504,752
Pupil Transportation	498,550	2,518	0	0	501,068
Central	836	1,324	0	0	2,160
Non-Instructional Services	0	1,118	0	0	1,118
Extracurricular Activities	94,524	96,275	0	0	190,799
Capital Outlay	94,750	0	0	10,558	105,308
Debt Service:					
Refund of Property Taxes	36,020	714	6,227	0	42,961
Principal Retirement	0	0	228,325	0	228,325
Interest and Fiscal Charges	0	0	93,875	0	93,875
Total Expenditures	5,569,296	678,917	340,409	10,558	6,599,180
Excess of Revenues Under Expenditures	(67,918)	(40,394)	(16,356)	(9,621)	(134,289)
<u>Other Financing Sources (Uses):</u>					
Proceeds from Sale of Fixed Assets	1,300	0	0	0	1,300
Operating Transfers In	0	0	43,994	75,000	118,994
Operating Transfers Out	(133,994)	0	0	0	(133,994)
Total Other Financing Sources (Uses)	(132,694)	0	43,994	75,000	(13,700)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(200,612)	(40,394)	27,638	65,379	(147,989)
Fund Balances at Beginning of Year	1,622,516	194,364	198,404	311,400	2,326,684
Fund Balances at End of Year	<u>\$1,421,904</u>	<u>\$153,970</u>	<u>\$226,042</u>	<u>\$376,779</u>	<u>\$2,178,695</u>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Caldwell Exempted Village School District, Ohio
 Combined Statement of Revenues, Expenditures and
 Changes in Fund Balances - Budget and Actual (Budget Basis)
 All Governmental Fund Types
 For the Fiscal Year Ended June 30, 2000

	General Fund			Special Revenue Funds			Debt Service Fund			Capital Projects Funds			Totals (Memorandum Only)		
	Revised Budget	Actual	Variance (Unfavorable)	Revised Budget	Actual	Variance (Unfavorable)	Revised Budget	Actual	Variance (Unfavorable)	Revised Budget	Actual	Variance (Unfavorable)	Revised Budget	Actual	Variance (Unfavorable)
Revenues:															
Property and Other Taxes	\$1,638,161	\$1,695,462	\$57,301	\$32,160	\$34,134	\$1,974	\$289,087	\$283,496	(\$5,591)	\$0	\$0	\$0	\$1,959,408	\$2,013,092	\$53,684
Intergovernmental	3,446,935	3,535,898	88,963	582,056	443,584	(138,472)	32,790	33,525	735	132,500	200	(132,300)	4,194,281	4,013,207	(181,074)
Interest	120,650	159,053	38,403	0	0	0	0	0	0	600	737	137	121,250	159,790	38,540
Tuition and Fees	72,500	68,011	(4,489)	0	0	0	0	0	0	0	0	0	72,500	68,011	(4,489)
Rent	2,500	804	(1,696)	0	0	0	0	0	0	0	0	0	2,500	804	(1,696)
Extracontractual Activities	0	0	0	157,430	144,584	(12,846)	0	0	0	0	0	0	157,430	144,584	(12,846)
Customer Services	5,000	0	(5,000)	0	0	0	0	0	0	0	0	0	5,000	0	(5,000)
Miscellaneous	9,060	21,772	12,712	6,550	3,512	(3,038)	0	0	0	0	0	0	15,610	25,284	9,674
Total Revenues	5,294,806	5,481,000	186,194	778,196	625,814	(152,382)	321,877	317,021	(4,856)	133,100	937	(132,163)	6,527,979	6,424,772	(103,207)
Expenditures:															
Current:															
Instruction:															
Regular	3,042,379	2,714,817	327,562	197,585	130,344	67,241	0	0	0	0	0	0	3,239,964	2,845,161	394,803
Special	576,412	481,415	94,997	248,464	205,334	43,130	0	0	0	0	0	0	824,876	686,749	138,127
Vocational	113,185	101,042	12,143	1,300	1,048	252	0	0	0	0	0	0	114,485	102,090	12,395
Adult/Continuing	2,960	1,908	1,052	0	0	0	0	0	0	0	0	0	2,960	1,908	1,052
Other	22,349	2,106	20,243	0	0	0	0	0	0	0	0	0	22,349	2,106	20,243
Support Services:															
Pupils	271,883	246,697	25,186	62,815	35,042	27,773	0	0	0	0	0	0	334,698	281,739	52,959
Instructional Staff	276,530	186,519	90,011	124,649	85,747	38,902	0	0	0	0	0	0	401,179	272,266	128,913
Board of Education	101,671	79,503	22,168	0	0	0	0	0	0	0	0	0	101,671	79,503	22,168
Administration	537,913	538,325	(412)	95,584	77,082	16,502	0	0	0	0	0	0	631,497	615,407	16,090
Fiscal	226,062	196,933	29,129	4,337	1,771	2,566	69,958	11,982	57,976	0	0	0	300,357	210,686	89,671
Operation and Maintenance of Plant	632,712	568,069	64,643	74,520	73,950	570	0	0	0	0	0	0	707,232	642,019	65,213
Pupil Transportation	685,230	630,928	54,302	2,764	2,070	694	0	0	0	0	0	0	687,994	632,998	54,996
Central	1,540	1,332	208	1,510	1,270	240	0	0	0	0	0	0	3,050	2,602	448
Non-Instructional Services	0	0	0	1,219	1,118	101	0	0	0	0	0	0	1,219	1,118	101
Extracontractual Activities	126,845	104,749	22,096	133,300	111,432	21,868	0	0	0	0	0	0	260,145	216,181	43,964
Capital Outlay	125,691	101,444	24,247	0	0	0	0	0	0	0	0	0	555,330	133,624	421,706
Debt Service:															
Refund of Property Taxes	44,000	36,020	7,980	714	714	0	8,000	6,227	1,773	0	0	0	52,714	42,961	9,753
Principal Retirement	0	0	0	0	0	0	262,373	228,325	34,048	0	0	0	262,373	228,325	34,048
Interest and Fiscal Charges	0	0	0	0	0	0	103,669	93,875	9,794	0	0	0	103,669	93,875	9,794
Total Expenditures	6,787,362	5,991,607	795,755	946,761	726,922	219,839	444,000	340,409	103,591	429,639	32,180	397,459	8,607,762	7,091,118	1,516,644
Excess of Revenues Over (Under) Expenditures	(1,492,556)	(510,607)	981,949	(168,565)	(101,108)	67,457	(122,123)	(23,388)	98,735	(296,539)	(31,243)	265,296	(2,079,783)	(666,346)	1,413,437
Other Financing Sources (Uses):															
Other Financing Uses	(6,571)	0	6,571	0	0	0	0	0	0	0	0	0	(6,571)	0	6,571
Refund of Prior Year Receipts	0	0	0	(1,479)	(1,479)	0	0	0	0	0	0	0	(1,479)	(1,479)	0
Refund of Prior Year Expenditures	0	8,879	8,879	10,878	10,878	0	0	0	0	0	0	0	10,878	19,757	8,879
Operating Transfers In	0	0	0	0	0	0	75,000	43,994	(31,006)	75,000	75,000	0	150,000	118,994	(31,006)
Proceeds from Sale of Fixed Assets	750	1,300	550	0	0	0	0	0	0	0	0	0	750	1,300	550
Operating Transfers Out	(155,139)	(133,994)	21,145	0	0	0	0	0	0	0	0	0	(155,139)	(133,994)	21,145
Total Other Financing Sources (Uses)	(160,960)	(123,815)	37,145	9,399	9,399	0	75,000	43,994	(31,006)	75,000	75,000	0	(1,561)	4,578	6,139
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,653,516)	(634,422)	1,019,094	(159,166)	(91,709)	67,457	(47,123)	20,606	67,729	(221,539)	43,757	265,296	(2,081,344)	(661,768)	1,419,576
Fund Balances at Beginning of Year	1,731,232	1,731,232	0	166,901	166,901	0	185,706	185,706	0	293,126	293,126	0	2,376,965	2,376,965	0
Prior Year Encumbrances Appropriated	462,629	462,629	0	56,770	56,770	0	0	0	0	31,981	31,981	0	551,380	551,380	0
Fund Balances at End of Year	\$540,345	\$1,559,439	\$1,019,094	\$64,805	\$131,962	\$67,457	\$138,583	\$206,312	\$67,729	\$103,568	\$368,864	\$265,296	\$847,001	\$2,266,577	\$1,419,576

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

Caldwell Exempted Village School District, Ohio
 Combined Statement of Revenues,
 Expenses and Changes in Fund Equity
 All Proprietary Fund Types
 For the Fiscal Year Ended June 30, 2000

	<u>Proprietary Fund Types</u>		Totals (Memorandum Only)
	<u>Enterprise</u>	<u>Internal Service</u>	
<u>Operating Revenues:</u>			
Sales	\$159,934	\$0	\$159,934
Charges for Services	0	687,582	687,582
Other Operating Revenues	147	19,547	19,694
	<u>160,081</u>	<u>707,129</u>	<u>867,210</u>
<u>Operating Expenses:</u>			
Salaries	91,439	0	91,439
Fringe Benefits	55,210	0	55,210
Purchased Services	5,043	74,135	79,178
Materials and Supplies	16,297	0	16,297
Cost of Sales	145,941	0	145,941
Depreciation	11,130	0	11,130
Claims	0	489,412	489,412
Other Operating Expenses	175	53,091	53,266
	<u>325,235</u>	<u>616,638</u>	<u>941,873</u>
Operating Income (Loss)	<u>(165,154)</u>	<u>90,491</u>	<u>(74,663)</u>
<u>Non-Operating Revenues and Expenses:</u>			
Federal Donated Commodities	18,840	0	18,840
Interest	937	47,526	48,463
Operating Grants	107,594	0	107,594
Loss on Sale of Fixed Assets	(104)	0	(104)
	<u>127,267</u>	<u>47,526</u>	<u>174,793</u>
Net Income (Loss) Before Operating Transfers	(37,887)	138,017	100,130
Operating Transfers In	15,000	0	15,000
Net Income (Loss)	(22,887)	138,017	115,130
Retained Earnings (Deficit) at Beginning of Year	(81,977)	792,085	710,108
Retained Earnings (Deficit) at End of Year	(104,864)	930,102	825,238
Contributed Capital at Beginning and End of Year	157,070	0	157,070
Total Fund Equity at End of Year	<u>\$52,206</u>	<u>\$930,102</u>	<u>\$982,308</u>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Caldwell Exempted Village School District, Ohio
 Combined Statement of Revenues, Expenses and
 Changes in Fund Equity - Budget and Actual (Budget Basis)
 All Proprietary Fund Types
 For the Fiscal Year Ended June 30, 2000

	Enterprise Fund		Internal Service Fund		Totals (Memorandum Only)	
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Sales	\$157,614	\$159,934	\$2,320	\$0	\$0	\$159,934
Charges for Services	0	0	0	687,582	687,582	687,582
Interest	700	937	237	52,174	53,111	13,888
Other Revenues	100	147	47	2,222	2,369	740
Operating Grants	106,600	107,594	994	0	107,594	994
Refund of Prior Year Expense	0	0	0	22,939	22,939	22,939
Proceeds from Sale of Fixed Assets	0	300	300	0	300	300
Total Revenues	265,014	268,912	3,898	703,717	1,033,829	65,098
Expenses:						
Salaries	88,900	83,183	5,717	0	83,183	5,717
Fringe Benefits	63,300	54,701	8,599	0	54,701	8,599
Purchased Services	8,811	6,611	2,200	139,889	125,184	23,516
Materials and Supplies	158,186	154,448	3,738	0	154,448	3,738
Claims	0	0	0	459,696	459,696	0
Other Expenses	1,500	175	1,325	986,395	53,266	934,629
Total Expenses	320,697	299,118	21,579	1,585,980	930,478	976,199
Excess of Revenues Over (Under) Expenses	(55,683)	(30,206)	25,477	(882,263)	103,351	1,041,297
Operating Transfers In	0	15,000	(15,000)	0	15,000	(15,000)
Excess of Revenues Over (Under) Expenses and Operating Transfers	(55,683)	(15,206)	40,477	(882,263)	118,351	1,056,297
Fund Equity at Beginning of Year	40,492	40,492	0	896,109	936,601	0
Prior Year Encumbrances Appropriated	15,697	15,697	0	0	15,697	0
Fund Equity at End of Year	\$506	\$40,983	\$40,477	\$13,846	\$1,070,649	\$1,056,297

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Caldwell Exempted Village School District, Ohio
 Combined Statement of Cash Flows
 All Proprietary Fund Types
 For the Fiscal Year Ended June 30, 2000

	Proprietary Funds		Totals (Memorandum Only)
	Lunchroom	Internal Service	
Increase (Decrease) in <u>Cash and Cash Equivalents:</u>			
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$159,934	\$0	\$159,934
Cash Received from Quasi-External Transactions with Other Funds	0	687,582	687,582
Other Operating Revenues	147	19,546	19,693
Cash Payments to Suppliers for Goods and Services	(149,446)	(74,134)	(223,580)
Cash Payments for Employee Services	(83,183)	0	(83,183)
Cash Payments for Employee Benefits	(54,701)	0	(54,701)
Cash Received from Other Expenses	(175)	(53,091)	(53,266)
Cash Payments for Claims	0	(459,696)	(459,696)
Net Cash Provided by (Used for) Operating Activities	<u>(127,424)</u>	<u>120,207</u>	<u>(7,217)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In	15,000	0	15,000
Operating Grants Received	107,594	0	107,594
Net Cash Provided by Noncapital Financing Activities	<u>122,594</u>	<u>0</u>	<u>122,594</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds from Sale of Fixed Assets	300	0	300
Net Cash Provided by Capital and Related Financing Activities:	<u>300</u>	<u>0</u>	<u>300</u>
<u>Cash Flows from Investing Activities:</u>			
Interest	937	47,526	48,463
Net Cash Provided by Investing Activities:	<u>937</u>	<u>47,526</u>	<u>48,463</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(3,593)	167,733	164,140
Cash and Cash Equivalents at Beginning of Year	56,189	861,933	918,122
Cash and Cash Equivalents at End of Year	<u>52,596</u>	<u>1,029,666</u>	<u>1,082,262</u>
Reconciliation of Operating Income (Loss) to Net <u>Cash Provided by (Used for) Operating Activities:</u>			
Operating Income (Loss)	<u>(165,154)</u>	<u>90,491</u>	<u>(74,663)</u>
Adjustments to Reconcile Operating (Loss) to <u>Net Cash Provided by (Used for) Operating Activities:</u>			
Depreciation	11,130	0	11,130
Donated Commodities Used During Year	18,840	0	18,840
Changes in Assets and Liabilities:			
Increase in Inventory Held for Resale	(1,326)	0	(1,326)
Decrease in Materials and Supplies Inventory	321	0	321
Decrease in Accrued Wages and Benefits Payable	7,183	0	7,183
Increase in Compensated Absences Payable	1,073	0	1,073
Increase in Intergovernmental Payable	509	0	509
Increase in Claims Payable	0	29,716	29,716
Total Adjustments	<u>37,730</u>	<u>29,716</u>	<u>67,446</u>
Net Cash Provided (Used for) Operating Activities	<u>(\$127,424)</u>	<u>\$120,207</u>	<u>(\$7,217)</u>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
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

Caldwell Exempted Village School District (the "School District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District includes the following pre-consolidation schools: Southern Noble (Dexter City), Aurelias Township (Macksburg), Fulda, Sharon, and Jackson Township. The combined high school, Caldwell High School, was built in 1960 and the combined elementary school, Caldwell Elementary School, was built in 1987.

The School District operates under a locally-elected five member board form of government and provides educational services as mandated by state and/or federal agencies. This Board of Education controls the School District's three instructional/support facilities staffed by 46 classified employees, 78 certificated teaching personnel, and 4 administrators, who provide services to 1,109 students and other community members.

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the program's governing board and (1) the School District is able to significantly influence the programs of 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 levying of taxes, or the issuance of debt for the organization. No separate governmental units meet the criteria for inclusion as a component unit.

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

The School District is involved with the Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA) and the Mid-East Ohio Joint Vocational School District, which are defined as jointly governed organizations; the Ohio School Boards Association Workers' Compensation Group Rating Plan, which is defined as a group insurance purchasing pool; and the Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA) Self-Insurance Plan, which is defined as a claims servicing pool. Additional information concerning the jointly governed organizations, and information concerning the group insurance purchasing pool and the claims servicing pool is presented in Note 14.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 regulations, restrictions, or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

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.

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

GOVERNMENTAL FUND TYPES:

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

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

PROPRIETARY FUND TYPES:

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

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

Internal Service Fund - The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis.

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

FIDUCIARY FUNDS:

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 are all classified as agency funds. These 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 obligations related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary 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 proprietary 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 are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary 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. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

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

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

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

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

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

C. Budgetary Data

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 legal level of budgetary control is at the fund level and the authority to allocate at the function/object level is delegated to the School District's Treasurer. Budgetary information is presented at the function level in the general purpose financial statements to provide more meaningful information. Any budgetary modifications at the fund 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 not later than January 20, the Board-adopted budget is filed with the Noble 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 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.

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
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 must be legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission. 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 appropriations were legally enacted. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, 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. Encumbrances plus expenditures may not legally exceed appropriations at the legal level of control. 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 proprietary funds.

Lapsing of Appropriations:

At the close of each 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.

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

D. Cash and Cash Equivalents

To improve cash management, cash received by the School District Treasurer is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet. The School District participates in the OME-RESA insurance consortium for self-insurance. These monies are held separate from the School District's central bank account and are reflected in the financial statements as "Cash and Cash Equivalents with Fiscal Agents".

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. The School District distributes interest to the Building Capital Projects Funds, Food Service Enterprise Fund and the Self-Insurance Internal Service Fund based on fund balances at the end of each month, with the balance of the interest being credited to the General Fund. Interest revenue credited to the General Fund during fiscal year 2000 amounted to \$160,354, which includes \$44,462 assigned from other School District funds.

The School District has an escrow account which is presented on the combined balance sheet as "cash and cash equivalents with escrow agents" since it is not required to be deposited into the School District treasury. Additional information concerning this account is presented in Note 18.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with 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. 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 amounts required by statute to be set-aside by the School District for the creation of a reserve for budget stabilization. See Note 16 for additional information regarding set-asides.

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

F. Inventory

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

G. Prepaid Items

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

H. Fixed Assets and Depreciation

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

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

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment and vehicles in the proprietary fund types is computed using the straight-line method over an estimated useful life of fifteen to twenty years. Improvements to fund fixed assets are depreciated over the useful lives of the related fixed assets.

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. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
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 Foundation Program
- State Equity Funds
- State Bus Purchase Allowance
- State Property Tax Relief

Non-Reimbursable Grants:

Special Revenue Funds

- Title VI-B
- Handicapped Preschool Grant
- Eisenhower Grant
- Teacher Development Grant
- Disadvantaged Pupil Impact Aid
- Title I
- Title IV
- Drug Free Schools
- Educational Management Information System
- Data Communication
- Ohio Reads
- Class Size Reduction
- Professional Development
- Community Alternative Funding

Capital Projects Fund

- SchoolNet

Reimbursable Grants:

Proprietary Funds

- National School Lunch Program
- National School Breakfast Program
- Government Donated Commodities (Food Distribution)

Grants and entitlements accounted for 60 percent of the School District's governmental fund type operating revenue during the 2000 fiscal year.

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

J. Interfund Assets/Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as “Due from Other Funds” or “Due to Other Funds” on the balance sheet. The School District does not have amounts to be classified as interfund asset or liabilities at June 30, 2000.

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 employer will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

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

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 proprietary 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, claims, compensated absences, and contractually required pension obligations 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. In general, amounts paid more than sixty days after year end are considered not to have been paid with current available financial resources. Bonds and long-term loans are reported as liability of the general long-term obligations account group until due.

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

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

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 spendable 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 are established for encumbrances, debt service, unclaimed monies, property taxes and budget stabilization.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for unclaimed monies represents cash that, under Ohio law, must remain unclaimed for five years before it becomes available for appropriation. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures.

O. Contributed Capital

Contributed capital represents resources from other funds, other governments and private sources provided to the proprietary funds that are not subject to repayment. These assets are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed capital is expensed and closed to unreserved retained earnings at year end. There was no change in contributed capital during this fiscal year.

Because the School District did not prepare financial statements in accordance with generally accepted accounting principles prior to fiscal year 1995, 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 proprietary funds have been classified as retained earnings.

P. Estimates

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

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

Q. Designated Fund Balance

The School District has a fund balance designation on the balance sheet for additional money above the reserve for budget stabilization required by State statute.

R. Total Columns on General Purpose Financial Statements

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

NOTE 3 - ACCOUNTABILITY

The following funds had deficit fund balances at June 30, 2000:

	<u>Deficit Balances</u>
Special Revenue Funds:	
Disadvantaged Pupil Impact Aid	\$7,470
Ohio Reads Grant	11
Adult Vocational Education	2
Miscellaneous Federal Grants	75

These deficits are due primarily to the recognition of payables in accordance with generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

The Food Service Enterprise Fund had deficit retained earnings at June 30, 2000 in the amount of \$104,864 due primarily to expenses exceeding revenues in accordance with generally accepted accounting principles.

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

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

	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	(\$200,612)	(\$40,394)	\$27,638	\$65,379
Revenue Accruals	(13,688)	(1,831)	(7,032)	0
Unrecorded Cash	2,189	0	0	0
Expenditure Accruals	34,512	(3,503)	0	(13,707)
Prepaid Items	55,633	3,099	0	0
Encumbrances	(512,456)	(49,080)	0	(7,915)
Budget Basis	<u>(\$634,422)</u>	<u>(\$91,709)</u>	<u>\$20,606</u>	<u>\$43,757</u>

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

Net Income (Loss)/Excess of Revenues Over (Under) Expenses and Operating Transfers
All Proprietary Fund Types

	Enterprise	Internal Service
GAAP Basis	(\$22,887)	\$138,017
Revenue Accruals	300	10,262
Expense Accruals	8,869	(14,722)
Materials and Supplies		
Inventory	321	0
Inventory Held for Resale	(1,326)	0
Depreciation Expense	11,130	0
Encumbrances	(11,613)	0
Budget Basis	(\$15,206)	\$133,557

NOTE 5 - DEPOSITS AND INVESTMENTS

State statute 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 pass book accounts.

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. 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 Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt interest rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

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 specific dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee, or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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 No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

At June 30, 2000, the School District's internal service fund had a balance of \$1,029,666 with OME-RESA, a jointly governed organization (See Note 14). The money is held by the claims servicer in a pooled account which is representative of numerous entities and therefore cannot be classified by risk under GASB Statement 3. The classification of cash and cash equivalents and investments for the OME-RESA Self-Insurance Plan as a whole may be obtained from the Plan's fiscal agent, the Jefferson County Educational Service Center. To obtain financial information, write to the Ohio Mid Eastern Regional Educational Service Agency Self-Insurance Plan, Debra Campana, who serves as Treasurer, Steubenville, Ohio, 43952.

Undeposited Cash: At year end, the School District had \$2,189 in undeposited cash on hand which is included on the balance sheet of the School District as part of "Cash and Cash Equivalents".

Deposits: At year end, the carrying amount of the School District's deposits was \$695,197 and the bank balance was \$789,446. Of the bank balance, \$241,825 was covered by federal deposit insurance. \$547,621 was uninsured and uncollateralized. Although the collateral for the securities was held by the pledging financial institutions' 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.

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

Investments: The School District's investments are required to be categorized to give an indication of the level of risk assumed by the School District at 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 counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. The School District's investments in STAR Ohio, an investment pool operated by the Ohio State Treasurer, are unclassified investments since they are not evidenced by securities that exist in physical or book entry form. Their combined fair value is \$2,229,793.

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

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

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$3,956,845	\$0
Deposits with Fiscal Agent	(1,029,666)	0
Undeposited Cash	(2,189)	0
Investment: STAR Ohio	(2,216,201)	2,216,201
GASB Statement 3	\$708,789	\$2,216,201

NOTE 6 - 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 collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 2000 for real and public utility property taxes represents collections of calendar 1999 taxes. Property tax payments received during calendar 2000 for tangible personal property (other than public utility property) are for calendar 2000 taxes.

2000 real property taxes are levied after April 1, 2000, on the assessed value as of January 1, 2000, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2000 public utility property taxes became a lien December 31, 1999, are levied after April 1, 2000 and are collected in 2001 with real property taxes.

2000 tangible personal property taxes are levied after April 1, 1999, on the value as of December 31, 1999. Collections are made in 2000. Tangible personal property assessments are twenty-five percent of true 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.

Tangible personal property taxes 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.

	1999 Second- Half Collections		2000 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/ Residential and Other Real Estate	\$48,533,800	67.45 %	\$53,214,780	71.08 %
Public Utility Personal Property	12,646,830	17.58 %	10,478,980	14.00 %
Tangible Personal Property	10,775,250	14.97 %	11,173,840	14.92 %
Total	\$71,955,880	100.00 %	\$74,867,600	100.00 %
Tax rate per \$1,000 of assessed valuation	\$36.30		\$35.70	

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

The School District receives property taxes from Noble County. The Noble County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County 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 represent delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2000, was \$139,629 and is recognized as revenue. \$117,433 was available to the General Fund, \$2,466 was available to the Classroom Facilities Special Revenue Fund, and \$19,730 was available to the Debt Service Fund.

NOTE 7 - RECEIVABLES

Receivables at June 30, 2000, consisted of taxes, accounts (rent and fees), 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 year guarantee of federal funds. The Title I Grant Special Revenue Fund is reflecting an intergovernmental receivable of \$39,000 at June 30, 2000.

NOTE 8 - FIXED ASSETS

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

Furniture and Equipment	\$187,397
Less: Accumulated Depreciation	<u>(156,114)</u>
Net Fixed Assets	<u>\$31,283</u>

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

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

	Balance 6/30/99	Additions	Disposals	Balance 6/30/00
Land and Improvements	\$652,514	\$0	\$0	\$652,514
Construction	8,769,197	177,161	0	8,946,358
Licensed Vehicles	888,880	113,725	3,062	999,543
Furniture and Machinery and Equipment	925,056	91,985	39,056	977,985
Total General Fixed Assets	<u>\$11,235,647</u>	<u>\$382,871</u>	<u>\$42,118</u>	<u>\$11,576,400</u>

The School District does not include textbooks or library books as fixed assets. There was no significant construction in progress at June 30, 2000.

NOTE 9 - RISK MANAGEMENT

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2000, the School District contracted with Westfield Insurance Company for property, contents, and inland marine coverage. The policy has a 100% coinsurance provision. The policy includes a \$500 deductible.

Professional and general liability is protected by the Nationwide Insurance Company with a \$2,000,000 single occurrence and \$5,000,000 aggregate limit with no deductible. Vehicles are covered by Nationwide Insurance Company and holds no deductible for comprehensive and a \$50 deductible for collision. Automobile liability has a \$2,000,000 combined single limit of liability. Settled claims have not exceeded their commercial coverage in any of the past five years. There have been no significant reductions in insurance coverage from the prior year.

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

B. Workers' Compensation

For fiscal year 2000, the School District participated in the Ohio School Boards Association (OSBA) Workers' Compensation Group Rating Program (GRP), a group insurance purchasing pool (Note 14). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP.

C. Employee Medical, Dental, Vision and Prescription Benefits

Medical/surgical, dental, vision, and prescription drug insurances are offered through a self-insurance internal service fund. The School District is a member of a claims servicing pool in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District's behalf. The claims liability of \$99,564 reported in the internal service fund at June 30, 2000, is based on an estimate due to the application of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by the increased claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for the past two fiscal years are as follows:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2000	\$69,848	\$489,412	\$459,696	\$99,564
1999	76,119	593,433	599,704	69,848

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 10 - DEFINED BENEFIT PENSION PLANS

A. State Teachers Retirement System

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

For the fiscal year ended June 30, 2000, plan members are required to contribute 9.3 percent of their annual covered salaries. The School District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendations 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 contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998, were \$166,194, \$160,482 and \$269,336, respectively; 83.2 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$27,946 represents the unpaid contribution for fiscal year 2000, and is recorded as a liability within the respective funds.

B. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. 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 State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2000, 5.5 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998, were \$39,584, \$54,861 and \$65,596, respectively; 42.8 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$22,640 representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds and the general long-term obligations account group.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School employees Retirement System or the Sate 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, there are no employees who have elected Social Security.

NOTE 11 - POST-EMPLOYMENT 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 non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. 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 Ohio Law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2000, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$221,592 during the 2000 fiscal year.

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

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2000, employer contributions to fund health care benefits were 8.5 percent of covered payroll. 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 contributed to fund health care benefits, including the surcharge, during the 2000 fiscal year equaled \$74,011.

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, (the latest information available), were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$188.0 million. SERS has approximately 51,000 participants currently receiving health care benefits.

NOTE 12 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators who are contracted to work 260 days per year, earn ten to twenty days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators who work less than 260 days per year 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 215 days for certified employees and up to 220 days for classified employees. Upon retirement, certificated employees receive payment for one-fourth of the total sick leave accumulation up to a maximum of 36 days plus one additional day for every three years spent in the School District. Classified employees, upon retirement, receive payment for one-fourth of the total sick leave accumulation up to 34 total paid days plus one and one-half days of severance pay for every three years of continuous employment leading up to retirement.

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

B. Other Insurance

The School District provides life insurance and accidental death and dismemberment insurance to certified employees and administrative employees through Union Central Life Insurance Company, in the amount of \$5,000.

NOTE 13 - LONG-TERM OBLIGATIONS

Changes in long-term obligations of the School District during fiscal year 2000, were as follows:

	<u>Outstanding</u> <u>06/30/99</u>	<u>Additions</u>	<u>Deletions</u>	<u>Outstanding</u> <u>06/30/00</u>
General Obligation Bonds:				
1980 School Improvement Bonds - 7.5%	\$110,000	\$0	\$55,000	\$55,000
1987 School Improvement Bonds - 7.875%	<u>1,170,000</u>	<u>0</u>	<u>130,000</u>	<u>1,040,000</u>
Total General Obligation Bonds	<u>1,280,000</u>	<u>0</u>	<u>185,000</u>	<u>1,095,000</u>
Compensated Absences Payable	404,589	45,476	102,311	347,754
1996 House Bill 264 Energy Conservation Notes - 5.29%	43,325	0	43,325	0
Intergovernmental Payable	48,004	47,988	48,004	47,988
Tax Refund Payable	<u>150,360</u>	<u>0</u>	<u>42,961</u>	<u>107,399</u>
Total	<u>\$1,926,278</u>	<u>\$93,464</u>	<u>\$421,601</u>	<u>\$1,598,141</u>

The 1980 School Improvement Bonds were originally issued in the amount of \$1,100,000 for the purpose of constructing a new gymnasium in the high school and middle school sites, relocating, remodeling and otherwise improving existing school buildings, furnishing and equipping school buildings, and making school site improvements. The 1987 School Improvement Bonds were originally issued in the amount of \$2,750,000 for the purpose of constructing a new elementary school, remodeling, renovating, furnishing, equipping, and otherwise improving existing school buildings and acquiring and improving school sites. These general obligations will be paid from the Debt Service Fund.

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

Compensated absences will be paid from the fund from which the employees' salaries are paid. The intergovernmental payable represents contractually required pension contributions paid outside the available period and will be paid from the fund from which the employees' salaries are paid.

The energy conservation loan was issued for the purpose of installing energy conservation measures throughout the School District and was paid from the Debt Service Fund.

The tax refund is a long-term obligation for a repayment of taxes to Texas Eastern Transmission Corporation, a public utility company, for tax years 1991 through 1996. The repayment of taxes will be deducted over ten settlements by the Noble County Auditor.

The School District has received \$4,278,520 in monies from the Ohio School Facilities Commission. Initially, repayment of the Ohio School Facilities Commission funds was to be made over a twenty-three year period from a half-mill levy. During 1998, the School District passed the necessary board resolution which enables the School District to retain the half-mill levy for the maintenance of the School District's buildings due to the School District's assessed values being below the statewide median. As a result of the approval from the Ohio School Facilities Commission, the School District has no obligation to repay the School Facilities loan, as long as the School District's assessed values remain below the median. Due to the School District's current ranking of 228 and the median being 306, the likelihood of future repayment requirements are remote. Thus, the District has determined that it is not probable that the School Facilities loan will be repaid, and as such, no outstanding liability is recorded in the financial statements. However, in any year in which the School District's assessed values rise above the median, half of the levy proceeds would be paid to the State to retire the loan. Any unpaid balance at the end of twenty-three years will be forgiven.

Principal and interest requirements to retire general obligation bonds and the tax refund outstanding at June 30, 2000, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2001	\$227,961	\$78,844	\$306,805
2002	172,961	66,544	239,505
2003	151,477	56,306	207,783
2004	130,000	46,069	176,069
2005	130,000	35,831	165,831
2006-2010	390,000	46,069	436,069
Total	<u>\$1,202,399</u>	<u>\$329,663</u>	<u>\$1,532,062</u>

The School District's overall legal debt margin was \$6,738,084 with an unvoted debt margin of \$74,868 at June 30, 2000.

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 14 - JOINTLY GOVERNED ORGANIZATIONS AND PUBLIC ENTITY RISK POOLS

A. Jointly Governed Organizations

The Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA) was created as a regional council of governments pursuant to State statutes. OME-RESA has 11 participating counties consisting of Belmont, Carroll, Columbiana, Coshocton, Guernsey, Harrison, Holmes, Jefferson, Muskingum, Noble, and Tuscarawas Counties. OME-RESA provides financial accounting services, educational management information, and cooperative purchasing services to member districts. OME-RESA is governed by a governing board which is selected by the member districts. OME-RESA possesses its own budgeting authority. To obtain financial information write to the Ohio Mid-Eastern Regional Educational Service Agency, Treasurer, at 2023 Sunset Blvd., Steubenville, Ohio 43952.

The Mid-East Ohio Joint Vocational 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 13 participating school districts' elected boards. The Board possesses its own budgeting and taxing authority. The Board controls the financial activity of the Joint Vocational School District. To obtain financial information write to the Mid-East Ohio Vocational School District, Cindy Nye, Treasurer, at 1965 Chandlersville Road, Zanesville, Ohio 45701.

B. Public Entity Risk Pools

1. Insurance Purchasing Pool

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), a group insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

2. Claims Servicing Pool

The School District participates in the Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA) Self-Insurance Plan, a claims servicing pool comprised of fifty members. Each participant is a member of the assembly. The Plan's business and affairs are conducted by a nine member Board of Director's elected from the OME-RESA's assembly. Each member pays a monthly premium based on their claims history and a monthly administration fee. All participating members retain their risk and the Plan acts as the claims servicing agent.

NOTE 15 - STATE SCHOOL FUNDING DECISION

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$3,273,648 of school foundation support for its general fund.

In addition, the Court declared the classroom facilities program unconstitutional, because, in the Court's opinion, the program had not been sufficiently funded by the State. The classroom facilities program provided money to build schools and furnish classrooms. As of June 30, 2000, the School District had received a total of \$4,278,520 under this program.

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

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

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

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

NOTE 16 - SET-ASIDE CALCULATIONS AND FUND RESERVES

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 year end set-aside amounts for textbooks, capital acquisitions, and budget stabilization. Disclosure of this information is required by State statute.

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization Reserved</u>	<u>Designated</u>
Set-aside Cash Balance				
as of June 30, 1999	\$0	\$0	\$28,284	\$20,000
Current Year Set-aside Requirement	120,176	120,176	0	0
Additional Set-Aside by the District	0	0	0	20,000
Current Year Offsets	0	(113,163)	0	0
Qualifying Disbursements	<u>(136,357)</u>	<u>(7,013)</u>	<u>0</u>	<u>0</u>
Total	<u>(16,181)</u>	<u>0</u>	<u>\$28,284</u>	<u>40,000</u>
Cash balance/qualifying carry forward to FY 2001	<u>\$ 16,181</u>	<u>\$ 0</u>	<u>\$28,284</u>	<u>\$40,000</u>

The School District had qualifying offsets and disbursements during the fiscal year that reduced the textbook set-aside amount below zero. This extra amount may be used to reduce the set-aside requirement in future fiscal years. During fiscal 1999, the District elected to set-aside \$20,000 in excess of the statutory requirement for budget stabilization. During fiscal year 2000, the District elected to designate an additional \$20,000 for budget stabilization. The total reserve balance for the three set-asides at the end of the fiscal year was \$28,284. The remaining excess amount of \$40,000 is reported as designated fund balance on the combined balance sheet.

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 17 - CONTINGENCIES

A. Grants

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

B. Litigation

The School District is currently not party to any pending litigation.

NOTE 18 - ESCROW ACCOUNT

The School District established an escrow account in name of J.A. Raeder, Inc., during the construction projects performed by this company. At June 30, 2000, the balance in the account was \$12,310 and is reported on the balance sheet as "cash and cash equivalents with escrow agents". However, the School District has not released the monies because it contends that it is entitled to these funds because the School District incurred additional costs due to the negligence of the company, J. A. Raeder, Inc. The balance in the escrow account can only be released by the School District Treasurer.

NOTE 19 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The School District maintains one enterprise fund which provides lunchroom/cafeteria services, therefore, segment information for the year ended June 30, 2000 is not presented.

NOTE 20 - SUBSEQUENT EVENT

Subsequent to the balance sheet date, the School District paid off its 1980 School Improvement Bonds. The final payment was made on December 1, 2000.

SUPPLEMENTAL DATA

**CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(C) CASH FEDERAL RECEIPTS	OTHER FEDERAL RECEIPTS	(C) CASH FEDERAL DISBURSEMENTS	OTHER FEDERAL DISBURSEMENTS
U. S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE <u>OHIO DEPARTMENT OF EDUCATION:</u>						
Nutrition Grant Cluster:						
(A) (D) Food Distribution	10.550	N/A		\$17,449		\$18,840
(B) (D) School Breakfast Program	10.553	N/A	\$20,053		\$20,053	
(B) (D) National School Lunch Program	10.555	N/A	80,740		80,740	
Total U.S. Department of Agriculture and Nutrition Grant Cluster:			100,793	17,449	100,793	18,840
FEDERAL EMERGENCY MANAGEMENT AGENCY PASSED THROUGH THE <u>N/A:</u>						
FEMA Disaster Relief	83.544	N/A	0		17,854	
U. S. DEPARTMENT OF EDUCATION PASSED THROUGH THE <u>OHIO DEPARTMENT OF EDUCATION:</u>						
Title I - Local Educational Agencies	84.010	045252-C1-S1-99	21,000		38,716	
Title I - Local Educational Agencies	84.010	045252-C1-S1-99C	11,378		11,378	
Title I - Local Educational Agencies	84.010	045252-C1-S1-00	159,393		151,226	
Total Title I			191,771		201,320	
Special Education Grant Cluster:						
(E) Title VI-B - Education of the Handicapped Act	84.027	045252-6B-SF-98P	6,653		13,361	
(E) Title VI-B - Education of the Handicapped Act	84.027	045252-6B-SF-99P	75,972		60,425	
Total Title VI-B			82,625		73,786	
(E) Preschool Handicapped	84.173	045252-PG-S1-97	0		8,545	
(E) Preschool Handicapped	84.173	045252-PG-S1-99P	18,834		16,508	
Total Preschool Handicapped			18,834		25,053	
Total Special Education Grant Cluster			101,459		98,839	
Safe and Drug-Free Schools Grants	84.186	045252-DR-S1-99	0		3,579	
Safe and Drug-Free Schools Grants	84.186	045252-DR-S1-00	4,883		2,440	
Total Drug-Free Schools			4,883		6,019	
Goals 2000	84.276	045252-G2-S2-99	0		4,775	
Eisenhower Professional Development - Grants	84.281	045252-MS-S1-99	0		5,787	
Eisenhower Professional Development - Grants	84.281	045252-MS-S1-00	5,502		0	
Total Eisenhower Grants			5,502		5,787	
Innovative Education - Program Strategies	84.298	045252-C2-S1-99	0		2,566	
Innovative Education - Program Strategies	84.298	045252-C2-S1-00	1,641		0	
Total Innovative Education			1,641		2,566	
Class Size Reduction	84.340	045252-G2-S2-99	27,314		22,697	
Total U.S. Department of Education			332,570		342,003	
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED THROUGH THE OHIO DEPARTMENT OF MENTAL <u>RETARDATION AND DEVELOPMENTAL DISABILITIES:</u>						
Community Alternative Funding System Program	93.778	N/A	1,453		1,453	
Total Federal Financial Assistance			\$434,816	\$17,449	\$462,103	\$18,840

- (A) The Food Distribution Program is a noncash, in kind, federal grant.
- (B) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.
- (C) This schedule was prepared on a cash basis.
- (D) Included as part of "Nutrition Grant Cluster" in determining major programs.
- (E) Included as part of the "Special Education Grant Cluster" in determining major programs.

TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Board of Education
Caldwell Exempted Village School District
516 Fairground Street
Caldwell, Ohio 43724

We have audited the general purpose financial statements of Caldwell Exempted Village School District as of and for the year ended June 30, 2000, and have issued our report thereon dated November 22, 2000. We conducted our audit in accordance with generally accepted auditing standards and 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 Caldwell Exempted Village School 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*.

Board of Education
Caldwell Exempted Village School District

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Caldwell Exempted Village School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of Caldwell Exempted Village School District in a separate letter dated November 22, 2000.

This report is intended for the information and use of management, the Board of Caldwell Exempted Village School District, 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.

Trimble, Julian & Grube, Inc.
November 22, 2000

TRIMBLE, JULIAN & GRUBE, INC.

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Education
Caldwell Exempted Village School District
516 Fairground Street
Caldwell, Ohio 43724

Compliance

We have audited the compliance of Caldwell Exempted Village 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 fiscal year ended June 30, 2000. Caldwell Exempted Village School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of Caldwell Exempted Village School District's management. Our responsibility is to express an opinion on Caldwell Exempted Village School 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, *Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Caldwell Exempted Village School 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 Caldwell Exempted Village School District's compliance with those requirements.

Board of Education
Caldwell Exempted Village School District

In our opinion, Caldwell Exempted Village School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the fiscal year ended June 30, 2000.

Internal Control Over Compliance

The management of Caldwell Exempted Village School 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 Caldwell Exempted Village School District's internal control over compliance with requirements that could have a direct and material effect on its major federal programs 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 its major federal programs being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the management, the Board of Caldwell Exempted Village School District, 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.

Trimble, Julian & Grube, Inc.
November 22, 2000

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505

Caldwell Exempted Village School District
Noble County
June 30, 2000

1. SUMMARY OF AUDITOR'S RESULTS
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<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported non-compliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any other reportable internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under § .510?</i>	No

1. SUMMARY OF AUDITOR'S RESULTS (Continued)

<i>(d)(1)(vii)</i>	<i>Major Programs:</i>	Nutrition Cluster; Food Distribution CFDA #10.550, School Breakfast Program, CFDA #10.553, National School Lunch Program, CFDA #10.555; Class Size Reduction, CFDA #84.340.
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



STATE OF OHIO
OFFICE OF THE AUDITOR

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CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT

NOBLE 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 02, 2001**