

**WYNFORD LOCAL  
SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

***GENERAL PURPOSE FINANCIAL STATEMENTS  
(AUDITED)***

***FOR THE FISCAL YEAR ENDED  
JUNE 30, 2002***

**ROBIN KLENK, TREASURER**





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P. O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

Board of Education  
Wynford Local School District  
3288 Holmes Center Road  
Bucyrus, Ohio 44820-9462

We have reviewed the Independent Auditor's Report of the Wynford Local School District, Crawford County, prepared by Trimble, Julian & Grube, Inc., for the audit period July 1, 2001 through June 30, 2002. 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 Wynford Local School District is responsible for compliance with these laws and regulations.

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

JIM PETRO  
Auditor of State

November 19, 2002

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**WYNFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

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# TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 Worthington Woods Boulevard  
Suite B  
Worthington, Ohio 43085

Telephone 614.846.1899  
Facsimile 614.846.2799

## Independent Auditor's Report

Board of Education  
Wynford Local School District  
3288 Holmes Center Road  
Bucyrus, Ohio 44820-9462

We have audited the accompanying general purpose financial statements of the Wynford Local School District, Crawford County, (the "District") as of and for the fiscal year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Wynford Local School District, Crawford County, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 3, 2002 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.  
October 3, 2002

**WYNFORD LOCAL SCHOOL DISTRICT**  
**CRAWFORD COUNTY, OHIO**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**JUNE 30, 2002**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>ASSETS AND OTHER DEBITS</b>				
<b>ASSETS:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 617,183	\$ 103,443	\$ 320,983	\$ 575,950
Cash in segregated accounts . . . . .	-	-	-	4,791
Receivables (net of allowances of uncollectibles):				
Property taxes - current & delinquent. . . . .	3,023,033	-	443,756	-
Accounts. . . . .	149	656	-	-
Interfund loan receivable . . . . .	11,251	-	-	-
Due from other governments . . . . .	-	33,695	-	-
Materials and supplies inventory. . . . .	-	-	-	-
Prepayments . . . . .	7,974	-	-	-
Restricted assets:				
Equity in pooled cash and cash equivalents . . . . .	125,253	-	-	-
Property, plant and equipment (net of accumulated depreciation where applicable). . . . .	-	-	-	-
<b>OTHER DEBITS:</b>				
Amount available in debt service fund. . . . .	-	-	-	-
Amount to be provided for retirement of general long-term obligations . . . . .	-	-	-	-
<b>Total assets and other debits . . . . .</b>	<b>\$ 3,784,843</b>	<b>\$ 137,794</b>	<b>\$ 764,739</b>	<b>\$ 580,741</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>				
<b>LIABILITIES:</b>				
Accounts payable. . . . .	\$ 3,893	\$ 2,972	\$ -	\$ -
Contracts payable. . . . .	-	-	-	93,662
Retainage payable. . . . .	-	-	-	14,190
Accrued wages and benefits. . . . .	656,372	33,160	-	-
Compensated absences payable. . . . .	26,417	-	-	-
Pension obligation payable. . . . .	105,220	4,222	-	-
Interfund loan payable . . . . .	-	7,396	-	-
Deferred revenue. . . . .	2,127,843	14,415	312,349	-
Due to other governments . . . . .	14,227	760	-	-
Due to students . . . . .	-	-	-	-
Claims payable. . . . .	-	-	-	-
General obligation bonds payable . . . . .	-	-	-	-
Judgement note payable. . . . .	-	-	-	-
Capital lease obligation . . . . .	-	-	-	-
<b>Total liabilities . . . . .</b>	<b>2,933,972</b>	<b>62,925</b>	<b>312,349</b>	<b>107,852</b>
<b>EQUITY AND OTHER CREDITS:</b>				
Investment in general fixed assets . . . . .	-	-	-	-
Contributed capital. . . . .	-	-	-	-
Retained earnings (accumulated deficit): unreserved. . . . .	-	-	-	-
Fund balances (deficit):				
Reserved for encumbrances . . . . .	-	3,498	-	84,796
Reserved for debt service . . . . .	-	-	320,983	-
Reserved for prepayments . . . . .	7,974	-	-	-
Reserved for tax revenue unavailable for appropriation. . . . .	895,190	-	131,407	-
Reserved for bus purchase allowance. . . . .	125,253	-	-	-
Unreserved-undesignated . . . . .	(177,546)	71,371	-	388,093
<b>Total equity and other credits . . . . .</b>	<b>850,871</b>	<b>74,869</b>	<b>452,390</b>	<b>472,889</b>
<b>Total liabilities, equity and other credits. . . . .</b>	<b>\$ 3,784,843</b>	<b>\$ 137,794</b>	<b>\$ 764,739</b>	<b>\$ 580,741</b>

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

Proprietary Fund Types		Fund Types	Account Groups		Total
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	(Memorandum Only)
\$ 4,901	\$ -	\$ 40,979	\$ -	\$ -	\$ 1,663,439
-	-	-	-	-	4,791
-	-	-	-	-	3,466,789
-	-	-	-	-	805
-	-	-	-	-	11,251
10,702	-	-	-	-	44,397
4,460	-	-	-	-	4,460
-	-	-	-	-	7,974
-	-	-	-	-	125,253
86,806	-	-	14,024,811	-	14,111,617
-	-	-	-	452,390	452,390
-	-	-	-	7,229,298	7,229,298
<u>\$ 106,869</u>	<u>\$ -</u>	<u>\$ 40,979</u>	<u>\$ 14,024,811</u>	<u>\$ 7,681,688</u>	<u>\$ 27,122,464</u>
\$ 80	\$ -	\$ -	\$ -	\$ -	\$ 6,945
-	-	-	-	-	93,662
-	-	-	-	-	14,190
25,204	-	-	-	-	714,736
13,350	-	-	-	469,204	508,971
22,563	-	-	-	50,377	182,382
-	-	3,855	-	-	11,251
2,731	-	-	-	-	2,457,338
412	-	-	-	-	15,399
-	-	30,534	-	-	30,534
-	199,337	-	-	-	199,337
-	-	-	-	7,045,000	7,045,000
-	-	-	-	96,154	96,154
-	-	-	-	20,953	20,953
<u>64,340</u>	<u>199,337</u>	<u>34,389</u>	<u>-</u>	<u>7,681,688</u>	<u>11,396,852</u>
-	-	-	14,024,811	-	14,024,811
42,027	-	-	-	-	42,027
502	(199,337)	-	-	-	(198,835)
-	-	-	-	-	88,294
-	-	-	-	-	320,983
-	-	-	-	-	7,974
-	-	-	-	-	1,026,597
-	-	-	-	-	125,253
-	-	6,590	-	-	288,508
<u>42,529</u>	<u>(199,337)</u>	<u>6,590</u>	<u>14,024,811</u>	<u>-</u>	<u>15,725,612</u>
<u>\$ 106,869</u>	<u>\$ -</u>	<u>\$ 40,979</u>	<u>\$ 14,024,811</u>	<u>\$ 7,681,688</u>	<u>\$ 27,122,464</u>

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**WYNFORD LOCAL SCHOOL DISTRICT**  
**CRAWFORD COUNTY, OHIO**  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Governmental Fund Types				Fiduciary Fund Type	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
<b>Revenues:</b>						
From local sources:						
Taxes . . . . .	\$ 2,651,640	\$ -	\$ 389,981	\$ -	\$ -	\$ 3,041,621
Tuition . . . . .	21,374	-	-	-	-	21,374
Earnings on investments . . . . .	57,047	3,325	-	17,955	-	78,327
Extracurricular . . . . .	-	121,348	-	-	-	121,348
Other local revenues . . . . .	67,400	14,006	-	-	3,080	84,486
Donations . . . . .	-	-	-	-	3,400	3,400
Other revenue . . . . .	-	2,100	-	-	-	2,100
Intergovernmental - State . . . . .	3,808,379	54,827	46,583	40,121	-	3,949,910
Intergovernmental - Federal . . . . .	-	221,830	-	-	-	221,830
Total revenues . . . . .	<u>6,605,840</u>	<u>417,436</u>	<u>436,564</u>	<u>58,076</u>	<u>6,480</u>	<u>7,524,396</u>
<b>Expenditures:</b>						
Current:						
Instruction:						
Regular . . . . .	3,660,326	94,132	-	1,310	-	3,755,768
Special . . . . .	528,415	182,011	-	-	2,471	712,897
Vocational . . . . .	2,797	-	-	-	-	2,797
Other . . . . .	62,242	-	-	-	-	62,242
Support services:						
Pupil . . . . .	472,619	5,365	-	-	1,830	479,814
Instructional staff . . . . .	290,798	4,207	-	-	-	295,005
Board of Education . . . . .	5,279	-	-	-	-	5,279
Administration . . . . .	573,030	2,483	-	-	-	575,513
Fiscal . . . . .	270,708	1,645	11,766	-	-	284,119
Operations and maintenance . . . . .	570,536	-	-	-	-	570,536
Pupil transportation . . . . .	553,351	11,999	-	-	-	565,350
Central . . . . .	27,273	13,470	-	-	-	40,743
Community services . . . . .	94	2,190	-	-	4,400	6,684
Extracurricular activities . . . . .	172,343	105,438	-	-	-	277,781
Facilities acquisition and construction . . . . .	104,068	-	-	181,262	-	285,330
Debt service:						
Principal retirement . . . . .	3,571	-	134,851	-	-	138,422
Interest and fiscal charges . . . . .	1,205	-	347,512	-	-	348,717
Total expenditures . . . . .	<u>7,298,655</u>	<u>422,940</u>	<u>494,129</u>	<u>182,572</u>	<u>8,701</u>	<u>8,406,997</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(692,815)	(5,504)	(57,565)	(124,496)	(2,221)	(882,601)
Other financing sources (uses):						
Operating transfers in . . . . .	-	-	35,930	-	-	35,930
Operating transfers out . . . . .	(35,930)	-	-	-	-	(35,930)
Proceeds of capital lease transaction . . . . .	24,524	-	-	-	-	24,524
Proceeds from sale of fixed assets . . . . .	40,259	-	-	-	-	40,259
Total other financing sources (uses) . . . . .	<u>28,853</u>	<u>-</u>	<u>35,930</u>	<u>-</u>	<u>-</u>	<u>64,783</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses) . . . . .	(663,962)	(5,504)	(21,635)	(124,496)	(2,221)	(817,818)
Fund balances, July 1 . . . . .	<u>1,514,833</u>	<u>80,373</u>	<u>474,025</u>	<u>597,385</u>	<u>8,811</u>	<u>2,675,427</u>
Fund balances, June 30 . . . . .	<u>\$ 850,871</u>	<u>\$ 74,869</u>	<u>\$ 452,390</u>	<u>\$ 472,889</u>	<u>\$ 6,590</u>	<u>\$ 1,857,609</u>

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

**WYNFORD LOCAL SCHOOL DISTRICT**  
**CRAWFORD COUNTY, OHIO**  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	General			Special Revenue		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>						
From local sources:						
Taxes . . . . .	\$ 2,832,000	\$ 2,747,019	\$ (84,981)	\$ -	\$ -	\$ -
Tuition . . . . .	36,500	21,374	(15,126)	-	-	-
Earnings on investments . . . . .	135,000	57,047	(77,953)	3,800	3,324	(476)
Extracurricular . . . . .	-	-	-	98,939	120,988	22,049
Other local revenues . . . . .	53,000	67,283	14,283	13,946	14,006	60
Other revenue . . . . .	-	-	-	450	450	-
Intergovernmental - State . . . . .	3,551,200	3,808,380	257,180	54,827	58,277	3,450
Intergovernmental - Federal . . . . .	-	-	-	205,509	200,749	(4,760)
Total revenues . . . . .	<u>6,607,700</u>	<u>6,701,103</u>	<u>93,403</u>	<u>377,471</u>	<u>397,794</u>	<u>20,323</u>
<b>Expenditures:</b>						
Current:						
Instruction:						
Regular . . . . .	3,652,620	3,623,458	29,162	116,623	96,334	20,289
Special . . . . .	516,598	512,087	4,511	178,148	180,346	(2,198)
Vocational . . . . .	3,017	2,801	216	-	-	-
Other . . . . .	49,781	62,242	(12,461)	-	-	-
Support services:						
Pupil . . . . .	481,942	470,646	11,296	5,877	5,831	46
Instructional staff . . . . .	315,293	283,932	31,361	5,515	5,102	413
Board of Education . . . . .	2,893	4,585	(1,692)	-	-	-
Administration . . . . .	566,757	586,506	(19,749)	2,591	2,484	107
Fiscal . . . . .	264,024	276,290	(12,266)	1,647	1,647	-
Operations and maintenance . . . . .	635,040	578,971	56,069	-	-	-
Pupil transportation . . . . .	552,256	547,959	4,297	11,999	11,999	-
Central . . . . .	27,800	27,273	527	13,427	13,473	(46)
Community services . . . . .	800	94	706	2,191	2,191	-
Extracurricular activities . . . . .	169,500	171,891	(2,391)	107,288	105,440	1,848
Facilities acquisition and construction . . . . .	106,000	79,544	26,456	-	-	-
Debt service:						
Principal retirement . . . . .	-	-	-	-	-	-
Interest and fiscal charges . . . . .	-	-	-	-	-	-
Total expenditures . . . . .	<u>7,344,321</u>	<u>7,228,279</u>	<u>116,042</u>	<u>445,306</u>	<u>424,847</u>	<u>20,459</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(736,621)	(527,176)	209,445	(67,835)	(27,053)	40,782
<b>Other financing sources (uses):</b>						
Advances in . . . . .	-	8,206	8,206	438	7,395	6,957
Advances out . . . . .	-	(11,250)	(11,250)	(5)	(5)	-
Operating transfers in . . . . .	35,909	-	(35,909)	-	-	-
Operating transfers out . . . . .	(35,939)	(35,930)	9	-	-	-
Proceeds from sale of fixed assets . . . . .	10,000	40,259	30,259	-	-	-
Refund of prior year expenditure . . . . .	10,000	16,873	6,873	-	-	-
Total other financing sources (uses) . . . . .	<u>19,970</u>	<u>18,158</u>	<u>(1,812)</u>	<u>433</u>	<u>7,390</u>	<u>6,957</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses) . . . . .	(716,651)	(509,018)	207,633	(67,402)	(19,663)	47,739
Fund balances, July 1 . . . . .	1,251,454	1,251,454	-	116,636	116,636	-
Prior year encumbrances appropriated . . . . .	-	-	-	-	-	-
Fund balances, June 30 . . . . .	<u>\$ 534,803</u>	<u>\$ 742,436</u>	<u>\$ 207,633</u>	<u>\$ 49,234</u>	<u>\$ 96,973</u>	<u>\$ 47,739</u>

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

Debt Service			Capital Projects			Total (Memorandum only)		
Budget Revised	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)
\$ 424,213	\$ 429,608	\$ 5,395	\$ -	\$ -	\$ -	\$ 3,256,213	\$ 3,176,627	\$ (79,586)
-	-	-	-	-	-	36,500	21,374	(15,126)
-	-	-	15,514	17,955	2,441	154,314	78,326	(75,988)
-	-	-	-	-	-	98,939	120,988	22,049
-	-	-	-	-	-	66,946	81,289	14,343
-	-	-	-	-	-	450	450	-
52,000	46,583	(5,417)	31,920	40,121	8,201	3,689,947	3,953,361	263,414
-	-	-	-	-	-	205,509	200,749	(4,760)
<u>476,213</u>	<u>476,191</u>	<u>(22)</u>	<u>47,434</u>	<u>58,076</u>	<u>10,642</u>	<u>7,508,818</u>	<u>7,633,164</u>	<u>124,346</u>
-	-	-	1,310	1,310	-	3,770,553	3,721,102	49,451
-	-	-	-	-	-	694,746	692,433	2,313
-	-	-	-	-	-	3,017	2,801	216
-	-	-	-	-	-	49,781	62,242	(12,461)
-	-	-	-	-	-	487,819	476,477	11,342
-	-	-	-	-	-	320,808	289,034	31,774
-	-	-	-	-	-	2,893	4,585	(1,692)
-	-	-	-	-	-	569,348	588,990	(19,642)
11,767	11,766	1	-	-	-	277,438	289,703	(12,265)
-	-	-	-	-	-	635,040	578,971	56,069
-	-	-	-	-	-	564,255	559,958	4,297
-	-	-	-	-	-	41,227	40,746	481
-	-	-	-	-	-	2,991	2,285	706
-	-	-	-	-	-	276,788	277,331	(543)
-	-	-	714,338	407,477	306,861	820,338	487,021	333,317
134,851	134,851	-	-	-	-	134,851	134,851	-
<u>347,512</u>	<u>347,512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>347,512</u>	<u>347,512</u>	<u>-</u>
<u>494,130</u>	<u>494,129</u>	<u>1</u>	<u>715,648</u>	<u>408,787</u>	<u>306,861</u>	<u>8,999,405</u>	<u>8,556,042</u>	<u>443,363</u>
<u>(17,917)</u>	<u>(17,938)</u>	<u>(21)</u>	<u>(668,214)</u>	<u>(350,711)</u>	<u>317,503</u>	<u>(1,490,587)</u>	<u>(922,878)</u>	<u>567,709</u>
-	-	-	8,201	-	(8,201)	8,639	15,601	6,962
-	-	-	(8,201)	(8,201)	-	(8,206)	(19,456)	(11,250)
35,909	35,930	21	-	-	-	71,818	35,930	(35,888)
-	-	-	-	-	-	(35,939)	(35,930)	9
-	-	-	-	-	-	10,000	40,259	30,259
-	-	-	-	-	-	10,000	16,873	6,873
<u>35,909</u>	<u>35,930</u>	<u>21</u>	<u>-</u>	<u>(8,201)</u>	<u>(8,201)</u>	<u>56,312</u>	<u>53,277</u>	<u>(3,035)</u>
17,992	17,992	-	(668,214)	(358,912)	309,302	(1,434,275)	(869,601)	564,674
302,991	302,991	-	614,729	614,729	-	2,285,810	2,285,810	-
-	-	-	146,506	146,506	-	146,506	146,506	-
<u>\$ 320,983</u>	<u>\$ 320,983</u>	<u>\$ -</u>	<u>\$ 93,021</u>	<u>\$ 402,323</u>	<u>\$ 309,302</u>	<u>\$ 998,041</u>	<u>\$ 1,562,715</u>	<u>\$ 564,674</u>

**WYNFORD LOCAL SCHOOL DISTRICT**  
**CRAWFORD COUNTY, OHIO**  
 COMBINED STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN RETAINED EARNINGS/(ACCUMULATED DEFICIT)  
 ALL PROPRIETARY FUND TYPES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Proprietary Fund Types		Total (Memorandum Only)
	Enterprise	Internal Service	
Operating revenues:			
Sales/charges for services . . . . .	\$ 269,072	\$ 940,673	\$ 1,209,745
 Total operating revenues . . . . .	<u>269,072</u>	<u>940,673</u>	<u>1,209,745</u>
 Operating expenses:			
Personal services. . . . .	194,457	140,679	335,136
Contract services. . . . .	1,439	-	1,439
Materials and supplies. . . . .	184,958	-	184,958
Depreciation. . . . .	6,463	-	6,463
Claims expense . . . . .	-	1,035,590	1,035,590
 Total operating expenses. . . . .	<u>387,317</u>	<u>1,176,269</u>	<u>1,563,586</u>
 Operating loss. . . . .	<u>(118,245)</u>	<u>(235,596)</u>	<u>(353,841)</u>
 Nonoperating revenues (expenses):			
Operating grants. . . . .	87,072	-	87,072
Federal commodities . . . . .	17,012	-	17,012
Interest revenue . . . . .	215	-	215
Other nonoperating revenue. . . . .	1,000	-	1,000
Loss on disposal of assets. . . . .	(1,924)	-	(1,924)
 Total nonoperating revenues (expenses) . . . .	<u>103,375</u>	<u>-</u>	<u>103,375</u>
 Net loss. . . . .	<u>(14,870)</u>	<u>(235,596)</u>	<u>(250,466)</u>
 Retained earnings, July 1 . . . . .	<u>15,372</u>	<u>36,259</u>	<u>51,631</u>
 Retained earnings (accumulated deficit), June 30 .	<u>\$ 502</u>	<u>\$ (199,337)</u>	<u>\$ (198,835)</u>

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

**WYNFORD LOCAL SCHOOL DISTRICT**  
**CRAWFORD COUNTY, OHIO**  
**COMBINED STATEMENT OF CASH FLOWS**  
**ALL PROPRIETARY FUND TYPES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

	Proprietary Fund Types		Total (Memorandum Only)
	Enterprise	Internal Service	
Cash flows from operating activities:			
Cash received from sales/service charges . . . . .	\$ 269,072	\$ 940,673	\$ 1,209,745
Cash payments for personal services . . . . .	(189,508)	(140,679)	(330,187)
Cash payments for contract services . . . . .	(1,439)	-	(1,439)
Cash payments for materials and supplies. . . . .	(166,120)	-	(166,120)
Cash payments for claims expenses. . . . .	-	(881,009)	(881,009)
Net cash used in operating activities. . . . .	<u>(87,995)</u>	<u>(81,015)</u>	<u>(169,010)</u>
Cash flows from noncapital financing activities:			
Cash received from operating grants . . . . .	<u>76,370</u>	<u>-</u>	<u>76,370</u>
Net cash provided by noncapital financing activities . . . . .	<u>76,370</u>	<u>-</u>	<u>76,370</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets . . . . .	<u>(7,677)</u>	<u>-</u>	<u>(7,677)</u>
Net cash used in capital and related financing activities . . . . .	<u>(7,677)</u>	<u>-</u>	<u>(7,677)</u>
Cash flows from investing activities:			
Interest received . . . . .	<u>215</u>	<u>-</u>	<u>215</u>
Net cash provided by investing activities. . . . .	<u>215</u>	<u>-</u>	<u>215</u>
Net decrease in cash and cash equivalents . . . . .	(19,087)	(81,015)	(100,102)
Cash and cash equivalents at beginning of year . . . . .	<u>23,988</u>	<u>81,015</u>	<u>105,003</u>
Cash and cash equivalents at end of year. . . . .	<u>\$ 4,901</u>	<u>\$ -</u>	<u>\$ 4,901</u>
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss. . . . .	\$ (118,245)	\$ (235,596)	\$ (353,841)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation . . . . .	6,463	-	6,463
Federal donated commodities . . . . .	17,012	-	17,012
Changes in assets and liabilities:			
Decrease in materials and supplies inventory. . . . .	1,013	-	1,013
Increase in accounts payable . . . . .	80	-	80
Increase in accrued wages and benefits. . . . .	4,903	-	4,903
Increase in compensated absences payable. . . . .	787	-	787
Increase in due to other governments . . . . .	412	-	412
Decrease in pension obligation payable. . . . .	(1,153)	-	(1,153)
Increase in claims payable . . . . .	-	154,581	154,581
Increase in deferred revenue . . . . .	<u>733</u>	<u>-</u>	<u>733</u>
Net cash used in operating activities. . . . .	<u>\$ (87,995)</u>	<u>\$ (81,015)</u>	<u>\$ (169,010)</u>

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

**WYNFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

Wynford Local School District (the "District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio to provide educational services to students and other community members of the District. Under such laws, there is no authority for a School District to have a charter or adopt local laws. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four-year terms by the citizens of the District.

The District serves an area of approximately 327 square miles in Crawford County, and includes portions of the City of Bucyrus, the Village of Nevada and portions of surrounding townships.

The District is the 457<sup>th</sup> largest by enrollment among 705 public and community school districts in the state and 3<sup>rd</sup> largest in Crawford County. It currently operates a comprehensive elementary, middle and high school. The District is staffed by 89 certified and 60 non-certified members.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The general purpose financial statements (GPFS) of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued prior to November 30, 1989 to its proprietary activities unless those pronouncements conflict with or contradict GASB pronouncements. The District's significant accounting policies are described below.

**A. Reporting Entity**

The District's reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity". A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District. Component units are legally separate organizations for which the District is financially accountable.

**WYNFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

*JOINTLY GOVERNED ORGANIZATIONS*

Pioneer Career and Technology Center (PCTC)

The PCTC is a district political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating school districts' elected boards, which possesses its own budgeting and taxing authority. To obtain financial information write to the Treasurer of the Pioneer Career and Technology Center at 27 Ryan Road, Shelby, OH 44875.

Heartland Council of Governments (the COG)

The COG is a jointly governed organization among 15 school districts and 1 county educational service center. The COG was formed for the purpose of applying modern technology with the aid of computers and other electronic technology to administrative and instructional functions. Each member district supports the COG based on a per pupil charge, dependent upon the software package utilized. The COG is governed by a Board of Directors consisting of superintendents of the members school districts. The degree of control exercised by any school district is limited to its representation on the Board. In accordance with GASB Statement No. 14, the District does not have any equity interest in the COG. Financial information can be obtained from the treasurer for the Pioneer Career and Technology Center, who serves as fiscal agent for the COG, at 27 Ryan Road, Shelby, Ohio 44875-0309.

**WYNFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*PUBLIC ENTITY RISK POOL*

Ohio School Boards Association Workers' Compensation Group Rating Plan

The District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP) was established through the Ohio School Boards Association (OSBA) as a group 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 GRP. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

**B. Fund Accounting**

The District uses funds and account groups to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types.

*GOVERNMENTAL FUNDS*

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

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

**WYNFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

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

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

*PROPRIETARY FUNDS*

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

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

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

**WYNFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*FIDUCIARY FUNDS*

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include an expendable trust fund and an agency fund. The expendable trust fund is accounted for in the same manner as governmental funds. The agency fund is custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency fund is presented on a budget basis, with note disclosure, regarding items, which, in other fund types, would be subject to accrual. The agency fund had no accruals at June 30, 2002, which, in other fund types, would be recognized in the combined balance sheet.

*ACCOUNT GROUPS*

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

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

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

**C. Measurement Focus/Basis of Accounting**

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

**WYNFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

The modified accrual basis of accounting is followed for governmental funds and the expendable trust fund. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period, which for the District is 60 days after the June 30 year-end. Revenues accrued at the end of the year include taxes, (to the extent they are intended to finance the current fiscal year), interest, and accounts (student fees and tuition). Current property taxes measurable as of June 30, 2002, and which are intended to finance fiscal 2003 operations, have been recorded as deferred revenues.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the modified accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied and the resources are available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been met and the resources are available.

Delinquent property taxes measurable and available (received within 60 days) are recognized as revenue. In proprietary funds, unused donated commodities are reported as deferred revenue.

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

**WYNFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

The proprietary funds are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense and a like amount is reported as donated commodities revenue.

On the accrual basis of accounting, revenue from nonexchange transactions, such as grants, entitlements and donations, is recognized in the fiscal year in which all eligibility requirements have been met. The proprietary funds receive no revenue from property taxes.

**D. Budgets**

The District is required by state statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2002, is as follows:

1. Prior to January 15 of the preceding year, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the board-adopted budget is filed with the Crawford County Budget Commission for tax rate determination.

**WYNFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final Amended Certificate issued for fiscal year 2002.
4. By July 1, the annual Appropriation Resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures may not exceed the appropriation total.
5. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions.
7. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal year 2002.
8. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures may not legally exceed budgeted appropriations at the fund level.

**WYNFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Encumbrance accounting is utilized by District funds during the normal course of operations, for purchase orders and contract related expenditures. An encumbrance is a reserve on the available spending authority due to a commitment for a future expenditure and does not represent a liability. For governmental fund types, encumbrances outstanding at year-end appear as a reserve to the fund balance on a GAAP basis and as the equivalent of expenditures on a non-GAAP budgetary basis in order to demonstrate legal compliance. Note 15 provides a reconciliation of the budgetary and GAAP basis of accounting and Note 11 discloses encumbrances outstanding for the enterprise funds at fiscal year-end.

**E. Cash and Investments**

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

The District maintains a segregated bank account for monies held separate from the District's central bank account. The segregated bank account represents monies held by the District for retainage. This interest bearing depository account is presented in the combined balance sheet as "Cash in Segregated Accounts".

During fiscal year 2002, investments were limited to STAR Ohio and certificates of deposit. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

The District had invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2002. 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, 2002.

Under existing Ohio Statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during fiscal year 2002, amounted to \$57,047, which includes \$21,383 assigned from other District funds.

**WYNFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents.

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

**F. Interfund Transactions**

Transactions between funds during the normal course of operations may occur. The most significant include:

1. Transfers of resources from one fund to another fund. The resources transferred are to be expected for operations by the receiving fund and are recorded as operating transfers, with the exception of agency funds, which do not show transfers of resources as operating transfers.
2. Reimbursements from one fund to another are treated as expenditures/expenses in the reimbursing fund and a reduction in expenditures/expenses in the reimbursed fund. Quasi-external transactions are accounted for as revenues, expenditures or expenses.
3. Short-term interfund loans and accrued interfund reimbursements and accrued operating transfers are reflected as "interfund loans receivable or payable".

See Note 5 for an analysis of interfund transactions.

**G. Inventory**

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds, which indicates that it does not constitute available expendable resources even though it is a component of net current assets. At June 30, 2002, there were no significant inventory balances in the governmental funds. Inventories of proprietary funds consist of donated food, purchased food and supplies, and are expensed when used.

**WYNFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**H. Property, Plant, and Equipment; and Depreciation**

1. General Fixed Assets Account Group

General fixed assets used in governmental fund types of the District are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year in the general fixed asset account group. Donated fixed assets are recorded at their fair market values as of the date donated. The District follows the policy of not capitalizing assets with a cost of less than \$500 and useful life of less than five years. 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; however, improvements are capitalized. No depreciation is recognized for assets in the general fixed assets account group. The District has not included infrastructure in the general fixed assets account group. Interest costs are not capitalized.

2. Proprietary Funds

Property, plant, and equipment reflected in the proprietary funds are stated at historical cost (or estimated historical cost) and updated for the cost of additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date donated. Depreciation has been provided, where appropriate, on a straight-line basis over an estimated life of 5 to 20 years. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

**I. 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 and judgments, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Bonds, capital leases, and long-term notes are reported as a liability of the general long-term obligations account group until due.

**WYNFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**J. Compensated Absences**

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

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

For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees age 50 or greater with at least 10 years of service and all employees with at least 20 years of service at any age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

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

Accumulated vacation and severance of governmental fund type employees meeting the above requirements have been recorded in the appropriate governmental fund as a current liability to the extent that the amounts are expected to be payable within the current available period. The balance of the liability is recorded in the general long-term obligations account group. Vacation and sick leave for employees meeting the above requirements who are paid from proprietary funds is recorded as an expense when earned.

**WYNFORD LOCAL SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**K. Fund Equity**

Reserved fund balances indicate that portion of fund equity, which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, prepayments, debt service and tax revenue unavailable for appropriation, and bus purchase allowance. The unreserved portions of fund equity reflected for the governmental funds are available for use within the specific purposes of those funds. The reserve for tax revenue unavailable for appropriation represents taxes recognized as revenue under GAAP, but not available for appropriations under state statute.

**L. Contributions of Capital**

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. These assets are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year-end. In accordance with GASB Statement No. 33, capital contributions are recorded as revenue and a component of retained earnings at year-end. There were no capital contributions received by the enterprise fund in 2002. Contributed capital in the enterprise fund at June 30, 2002, is \$42,027.

**M. Prepayments**

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

**N. Estimates**

The preparation of the GPFS in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**WYNFORD LOCAL SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**O. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents that are restricted in use for school bus purchases as by state statute. Fund balance reserves have also been established. See Note 18 for detail of statutory reserves and restricted assets.

**P. Memorandum Only - Total Columns**

Total columns on the GPFS are captioned "Totals (Memorandum Only)" to indicate that they do not represent consolidated financial information and are only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with GAAP. Interfund eliminations have not been made in the aggregation of this data.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**Deficit Fund Balances/Retained Earnings**

Fund balances/retained earnings at June 30, 2002, included the following individual deficits:

	<u>Fund Deficit</u>
<u>Special Revenue Funds</u>	
Management Information Systems	\$ 3
Disadvantaged Pupil Impact Aid	2,018
SchoolNet Professional Development	
Title VI-B	6,099
Title I	16,024
Drug-Free School Grant	220
<u>Internal Service Fund</u>	
Employee Benefits Self-Insurance	199,337

These funds complied with Ohio state law, which does not permit a cash basis deficit at year-end.

**WYNFORD LOCAL SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

The deficit fund balances in the Management Information Systems, Disadvantaged Pupil Impact Aid, SchoolNet Professional Development, Title VI-B, Title I and Drug-Free School Grant special revenue funds are caused by the application of GAAP, namely in the reporting of a liability for accrued wages and retirement obligations attributable to the fiscal year. These deficits will be eliminated by intergovernmental revenues and other subsidies not recognized at June 30.

The deficit fund balance in the Employee Benefits Self-Insurance internal service fund is due to the application of GAAP, in the reporting of "claims payable". This deficit will be eliminated by revenues not recognized at June 30.

**NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS**

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Cash Equivalents". Statutes require the classification of monies held by the District into three categories:

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

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

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

**WYNFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

**NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)**

Protection of 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 or 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 2% and be marked to market daily, and that the term of the agreement must not exceed 30 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 180 days in an amount not to exceed 25% of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt instruments rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

**WYNFORD LOCAL SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)**

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

*Cash on Hand:* At fiscal year-end, the District had \$2,325 in undeposited cash on hand, which is included on the combined balance sheet of the District as part of "Equity in pooled cash and cash equivalents".

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

*Deposits:* At fiscal year-end, the carrying amount of the District's deposits, including nonnegotiable certificates of deposit, was \$1,279,339 and the bank balance, including nonnegotiable certificates of deposit, was \$1,439,434. Of the bank balance:

1. \$236,475 was covered by federal depository insurance; and
2. \$1,202,959 was uninsured and uncollateralized as defined by GASB although it was secured by collateral held by third party trustees pursuant to Section 135.181, Ohio Revised Code, in collateralized pools securing all public funds in depository institutions; these securities not being in the name of the District. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the District to a successful claim by the FDIC.

**WYNFORD LOCAL SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)**

*Investments:* The District's investments are categorized below to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered or securities held by the District. Category 2 includes uninsured and unregistered investments for which securities are held by the counterpart's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterpart or by its trust department, but not in the District's name. At June 30, 2002, the District's had an investment of \$511,819 in STAR Ohio, which is the State Treasurer's Investment Pool. STAR Ohio is not categorized because it is not evidenced by securities that exist in physical or book entry form.

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

	<u>Cash and Cash Equivalents/ Deposits</u>	<u>Investments</u>
GASB Statement No. 9	\$1,793,483	\$ -
Investments of the cash management pool:		
Investment in STAR Ohio	(511,819)	511,819
Cash on hand	<u>(2,325)</u>	<u>-</u>
GASB Statement No. 3	<u>\$1,279,339</u>	<u>\$511,819</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

A. Interfund balances at June 30, 2002, consist of the following individual interfund loans receivable and payable:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$11,251	\$ -
<u>Special Revenue Fund</u>		
Family and Children First	-	438
Title VI-B	-	6,958
<u>Agency Fund</u>		
Student Managed Activity	<u>-</u>	<u>3,855</u>
Total	<u>\$11,251</u>	<u>\$11,251</u>

**WYNFORD LOCAL SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**NOTE 5 - INTERFUND TRANSACTIONS - (Continued)**

B. The following is a summarized breakdown of the District's operating transfers for fiscal year 2002:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$35,930
<u>Debt Service Fund</u>		
Bond Retirement	35,930	-
Total	<u>\$35,930</u>	<u>\$35,930</u>

**NOTE 6 - PROPERTY TAXES**

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

Real property taxes and public utility taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by state law at 35% of appraised market value.

Public utility property taxes are assessed on tangible personal property, as well as land and improvements. Real property is assessed at 35% of market value and personal property is assessed at 100% of market value.

Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. Tangible personal property assessments are 25% of true value. The assessed value upon which the 2001 taxes were collected was \$105,571,524. Agricultural/residential and public utility/minerals real estate represented 71.09% or \$75,044,430 of this total; commercial and industrial real estate represented 9.18% or \$9,689,640 of this total; public utility tangible represented 6.52% or \$6,892,220 of this total and general tangible property represented 13.21% or \$13,945,234 of this total. The voted general tax rate at the fiscal year ended June 30, 2002, was \$45.60 per \$1,000.00 of assessed valuation for operations and \$4.50 per \$1,000.00 of assessed valuation for debt service.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20, if paid semi-annually, the first payment is due January 20 with the remainder payable by June 20. Under certain circumstances, state statute permits alternate payment dates to be established.

**WYNFORD LOCAL SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

**NOTE 6 - PROPERTY TAXES - (Continued)**

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

The Crawford and Wyandot County Treasurers collect property tax on behalf of the District. The County Auditors periodically remits to the District its portions of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2002, are available to finance fiscal year 2003 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property, and public utility taxes, which became measurable as of June 30, 2002. Although total property tax collections for the next fiscal year are measurable, they are not (exclusive of advances) intended to finance current year operations. The net receivable (total receivable less amount available intended to finance the current year) is therefore offset by a credit to deferred revenue. The amount available as an advance at June 30, 2002, was \$895,190 in the general fund and \$131,407 in the debt service fund.

Taxes available for advance and recognized as revenue, but not received by the District prior to June 30, 2002, are reflected as a reservation of fund balance for future appropriations. The District is prohibited, by law, from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to fiscal year-end.

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2002, consisted of taxes, accounts (billings for user charged services and student fees), interfund loans, and intergovernmental grants and entitlements (to the extent such grants and entitlements relate to the current fiscal year). Intergovernmental receivables are presented as "due from other governments" on the combined balance sheet. All receivables are considered collectible in full, due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs, and the current fiscal year guarantee of federal funds.

**WYNFORD LOCAL SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

**NOTE 7 - RECEIVABLES - (Continued)**

A summary of the principal items of receivables follows:

	<u>Amounts</u>
<u>General Funds</u>	
Taxes - current and delinquent	\$3,023,033
Accounts	149
Interfund loans	11,251
 <u>Special Revenue Funds</u>	
Accounts	656
Due from other governments	33,695
 <u>Debt Service Fund</u>	
Taxes - current and delinquent	443,756

**NOTE 8 - FIXED ASSETS**

A summary of the changes in general fixed asset account group during fiscal year follows:

	<u>Balance July 1, 2001</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2002</u>
Land/improvements	\$ 487,121	\$ 32,703	\$ (800)	\$ 519,024
Buildings	10,777,196	55,848	(413,717)	10,419,327
Furniture/equipment	1,982,021	120,741	(115,338)	1,987,424
Vehicles	961,453	-	(15,109)	946,344
Construction in progress	-	<u>152,692</u>	-	<u>152,692</u>
Totals	<u>\$14,207,791</u>	<u>\$361,984</u>	<u>\$(544,964)</u>	<u>\$14,024,811</u>

The construction in progress represents costs incurred by June 30, 2002 for the construction of the bus garage.

A summary of proprietary fixed assets at June 30, 2002, follows:

Building	\$ 5,770
Furniture/equipment	109,529
Vehicles	<u>8,879</u>
Total	124,178
Less: accumulated depreciation	<u>(37,372)</u>
Net fixed assets - proprietary fund	<u>\$ 86,806</u>

**WYNFORD LOCAL SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**NOTE 9 - CAPITALIZED LEASE - LESSEE DISCLOSURE**

During fiscal 2002, the District entered into a capital lease for the acquisition of copiers.

The lease meets the criteria of a capital lease as defined by FASB Statement No. 13, “Accounting for Leases”, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. At inception, the lease was accounted for as a capital outlay expenditure and other financing source in the General fund. Capital lease payments have been reclassified and are reflected as debt service expenditures in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Fund. These expenditures are reflected as program/function expenditures on a budgetary basis. General fixed assets acquired by lease have been capitalized in the general fixed assets account group in the amount of \$24,524, which is equal to the present value of the future minimum lease payments as of the date of their inception. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in the 2002 fiscal year totaled \$3,571. This amount is reflected as debt service principal retirement in the general fund.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2002.

<u>General Long-Term Obligations</u>	
<u>Year Ending</u> <u>June 30</u>	<u>Copiers</u>
2003	\$ 5,732
2004	5,732
2005	5,732
2006	5,732
2007	<u>955</u>
Total future minimum lease payments	23,883
Less: amount representing interest	<u>(2,930)</u>
Present value of future minimum lease payments	<u><u>\$20,953</u></u>

**WYNFORD LOCAL SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**NOTE 10 - LONG-TERM OBLIGATIONS**

- A. During the year ended June 30, 2002, the following changes occurred in liabilities reported in the general long-term obligation account group.

	Balance <u>July 1, 2001</u>	<u>Increase</u>	<u>Decrease</u>	Balance <u>June 30, 2002</u>
Compensated absences	\$ 412,815	\$ 82,426	\$ (26,037)	\$ 469,204
Pension obligation payable	44,393	50,377	(44,393)	50,377
General obligation bonds	7,150,000	-	(105,000)	7,045,000
Judgement note	115,385	-	(19,231)	96,154
Energy conservation note	10,620	-	(10,620)	-
Capital lease obligation	<u>-</u>	<u>24,524</u>	<u>(3,571)</u>	<u>20,953</u>
Total long-term obligations	<u>\$7,733,213</u>	<u>\$157,327</u>	<u>\$(208,852)</u>	<u>\$7,681,688</u>

Compensated absences and the pension obligation will be paid from the fund from which the employees' salaries are paid.

- B. All general obligation bonds and notes outstanding, issued to provide funds for the acquisition and construction of equipment and facilities and to pay judgments against the District are general obligations of the District for which full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for in the general long-term obligation account group. Payments of principal and interest relating to these liabilities are recorded as expenditures in the debt service fund.

**1. General Obligation Bonds Payable**

On January 16, 1999, the District issued \$7,263,000 in general obligation bonds. The proceeds of these bonds were used to provide long-term financing of the District's building projects. These bonds bear an annual interest rate of 3.3% to 5.5% and matures in fiscal year 2024.

**2. Judgement Note**

On September 22, 1993, the District issued \$250,000 in unvoted general obligation note for the purpose of paying off a judgment as a result of a bus accident. The interest rate is 5.40%. The note was issued for a thirteen-year period maturing in fiscal year 2007. The note will be retired from the debt service fund.

**WYNFORD LOCAL SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

C. The following is a summary of the District's future annual debt service requirements to maturity for general obligation debt:

<u>Fiscal Year Ending June 30,</u>	<u>Principal on Bonds/Notes</u>	<u>Interest on Bonds/Notes</u>	<u>Total</u>
2003	\$ 134,231	\$ 342,090	\$ 476,321
2004	144,231	336,588	480,819
2005	159,231	330,503	489,734
2006	169,231	323,844	493,075
2007	184,230	316,581	500,811
2008 - 2012	1,085,000	1,457,165	2,542,165
2013 - 2017	1,615,000	1,149,096	2,764,096
2018 - 2022	2,410,000	619,845	3,029,845
2023 - 2024	<u>1,240,000</u>	<u>61,425</u>	<u>1,301,425</u>
Total	<u>\$7,141,154</u>	<u>\$4,937,137</u>	<u>\$12,078,291</u>

**D. Legal Debt Margin**

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

The effects of these debt limitations at June 30, 2002, are a voted debt margin of \$2,908,827 (including available funds of \$452,390) and an unvoted debt margin of \$105,572.

**NOTE 11 - SEGMENT INFORMATION - ENTERPRISE FUNDS**

The District maintains one enterprise fund, which provides lunchroom/cafeteria services, therefore, segment information for the year ended June 30, 2002, is not presented. The enterprise fund had no encumbrances outstanding at June 30, 2002.

**WYNFORD LOCAL SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the School Employees Retirement Board. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Columbus, Ohio 43215, or by calling (614) 222-5853.

Plan members are required to contribute 9% of their annual covered salary and the District is required to contribute 14% for 2002; 5.46% was the portion to fund pension obligations. The contribution rates are not determined actuarially, but are established by the School Employees Retirement Board within the rates allowed by state statute. The adequacy of the contribution rates is determined annually. The District's required contributions to SERS for the fiscal years ended June 30, 2002, 2001 and 2000 were \$128,825, \$128,010, and \$119,007, respectively; 38.92% has been contributed for fiscal year 2002, and 100% for the fiscal years 2001 and 2000. \$78,684, representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds and the general long-term obligations account group.

**B. State Teachers Retirement System**

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing, multiple-employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided 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. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771, or by calling (614) 227-4090.

**WYNFORD LOCAL SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Plan members are required to contribute 9.3% of their annual covered salary and the District is required to contribute 14%; 9.5% was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's required contributions to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$501,030, \$474,677, and \$453,949, respectively; 82.54% has been contributed or fiscal year 2002, and 100% for the fiscal years 2001 and 2000. \$87,468, represents the unpaid contribution for fiscal year 2002, and is recorded as a liability within the respective funds.

**C. Social Security Systems**

Effective July 1, 1991, all employees not otherwise covered by SERS or STRS have an option to choose Social Security or SERS/STRS. The District's liability is 6.2% of wages paid.

**NOTE 13 - POSTEMPLOYMENT BENEFITS**

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For this fiscal year, the State Teachers Retirement Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve fund. For the District, this amount equaled \$161,045 during fiscal 2002.

STRS pays health care benefits from the Health Care Reserve fund. The balance in the Health Care Reserve fund was \$3.256 billion at June 30, 2001 (the latest information available). For the fiscal year ended June 30, 2001 (the latest information available), net health care costs paid by STRS were \$300.772 million and STRS had 102,132 eligible benefit recipients.

**WYNFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

**NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)**

For SERS, coverage is made available to service retirees with 10 or more years of qualifying service credit, and disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than 25 years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

For this fiscal year, employer contributions to fund health care benefits were 8.54 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 2002, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2001 (the latest information available), were \$161.440 million and the target level was \$242.2 million. At June 30, 2001 (the latest information available), SERS had net assets available for payment of health care benefits of \$315.7 million and SERS had approximately 50,000 participants receiving health care benefits. For the District, the amount to fund health care benefits, including surcharge, equaled \$107,181 during the 2002 fiscal year.

**NOTE 14 - COMPENSATED ABSENCES**

The criteria for determining vacation and sick leave components are derived from negotiated agreements and state laws. Classified employees earn 10 to 20 days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 260 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 65 days for employees.

**WYNFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING**

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

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

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

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

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

	All Governmental Fund Types			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Budget basis	\$(509,018)	\$(19,663)	\$ 17,992	\$(358,912)
Net adjustment for revenue accruals	(95,263)	19,642	(39,627)	-
Net adjustment for expenditure accruals	(70,376)	(4,563)	-	47,797
Net adjustment for other financing sources/(uses)	10,695	(7,390)	-	8,201
Encumbrances/(budget basis)	<u>-</u>	<u>6,470</u>	<u>-</u>	<u>178,418</u>
GAAP basis	<u><u>\$(663,962)</u></u>	<u><u>\$(5,504)</u></u>	<u><u>\$(21,635)</u></u>	<u><u>\$(124,496)</u></u>

**WYNFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

**NOTE 16 - RISK MANAGEMENT**

**A. Property, Fleet, and Liability Insurance**

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2002, the District's contracted with various insurance companies for property and fleet insurance, liability insurance, and inland marine coverage. Coverage provided by these insurance companies is as follows:

<u>Type of Coverage</u>	<u>Liability Limit</u>
Building and contents - replacement cost (\$5,000 deductible)	\$20,254,448
Boiler and machinery (\$5,000 deductible)	22,001,778
Mobile radio, computer, audio visual & music equipment (\$100 deductible)	22,001,778
Automobile liability (\$500 deductible)	1,000,000
Uninsured motorists	1,000,000
General liability	
Per occurrence	2,000,000
Per year	5,000,000
Umbrella policy	1,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in amounts of insurance coverage from fiscal 2001.

**B. Worker's Compensation**

For fiscal year 2002, the District participated in the GRP, an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the state based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP.

**WYNFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**NOTE 16 - RISK MANAGEMENT - (Continued)**

**C. Employee Group Life, Health, and Dental Insurance**

The District maintains a self-insurance health plan for its employees including life, health, and dental coverage. The plan is administered by Anthem Benefit Plan, Inc. of Columbus, Ohio. The claims liability of \$199,337 reported in the internal service fund at June 30, 2002, is based on an estimate provided by the third party administrator and the requirements 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 accrued at the estimated ultimate cost of settling the claims. Changes in claims activity for the past two fiscal years are as follows:

<u>Fiscal Year</u>	<u>Beginning of Year</u>	<u>Claims</u>	<u>Payments</u>	<u>End of Year</u>
2002	\$ 44,756	\$1,035,590	\$881,009	\$199,337
2001	31,585	620,401	607,230	44,756

**NOTE 17 - CONTINGENCIES**

**A. Grants**

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds; however, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 2002.

**B. Litigation**

The District is party to legal proceedings. The District management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the District.

**WYNFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

**NOTE 17 - CONTINGENCIES - (Continued)**

**C. State School Funding Decision**

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a timeline for distribution is not specified.

Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

The State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001. In November, 2001, the Court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement. The case is now under reconsideration by the Court.

The District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

**WYNFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**NOTE 18 - STATUTORY RESERVES**

The District is required by state law to set-aside certain general fund revenue amounts, as defined by Statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2002, the reserve activity was as follows:

	<u>Textbooks</u>	(Restated) <u>Capital Acquisition</u>
Carry forward as of June 30, 2001	\$ (36,621)	\$(6,930,557)
Current year set-aside requirement	133,844	133,844
Qualifying disbursements	<u>(171,240)</u>	<u>(133,844)</u>
 Total	 <u>\$ (74,017)</u>	 <u>\$(6,930,557)</u>
Carry forward to FY 2003	<u>\$ (74,017)</u>	<u>\$(6,930,557)</u>

The District issued \$7,263,000 in bonds in fiscal 2000 to provide for the construction of a new school building. This amount is an allowable offset to future years for the capital improvement and maintenance set-aside. Thus, the balance at June 30, 2001 has been restated to reflect this offset. In addition, the District had qualifying general fund expenditures relating to capital acquisition and maintenance and is therefore presented as such.

The District had qualifying disbursements during the fiscal year that reduced the set-aside amounts below zero in the textbook reserves, this extra amount may be used to reduce the set-aside requirements of future years.

In addition to the above statutory reserves, the District also received monies restricted for school bus purchases.

A schedule of restricted assets at June 30, 2002, follows:

Amount restricted for school bus purchases	<u>\$125,253</u>
Total	<u>\$125,253</u>

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## **SUPPLEMENTAL DATA**

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**WYNFORD LOCAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(D) CASH FEDERAL RECEIPTS	OTHER FEDERAL RECEIPTS	(D) CASH FEDERAL DISBURSEMENTS	OTHER FEDERAL DISBURSEMENTS
<b>U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION:</b>						
<b>Nutrition Cluster:</b>						
(A), (B) Food Distribution	10.550	N/A	\$ -	\$ 17,745	\$ -	\$ 17,012
(A), (C) School Breakfast Program	10.553	046524-05-PU-2001	849		849	
(A), (C) School Breakfast Program	10.553	046524-05-PU-2002	8,004		8,004	
(A), (C) National School Lunch	10.555	046524-LL-P4-2001	7,772		7,772	
(A), (C) National School Lunch	10.555	046524-LL-P4-2002	54,507		54,507	
<b>Total U.S. Department of Agriculture and Nutrition Cluster</b>			<u>71,132</u>	<u>17,745</u>	<u>71,132</u>	<u>17,012</u>
<b>U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION:</b>						
Title I - Grants to Local Educational Agencies	84.010	046524-C1-S1-2002	<u>86,618</u>		<u>86,618</u>	
Title VI-B - Education of the Handicapped Act	84.027	046524-6B-SF-2001-P	5,747		11,786	
Title VI-B - Education of the Handicapped Act	84.027	046524-6B-SF-2002-P	66,822		73,779	
<b>Total Title VI-B</b>			<u>72,569</u>		<u>85,565</u>	
Safe and Drug-Free Schools	84.186	046524-DR-S1-2002	<u>4,389</u>		<u>4,389</u>	
Eisenhower Professional Development	84.281	046524-MS-S1-2001	-		718	
Eisenhower Professional Development	84.281	046524-MS-S1-2002	5,502		5,502	
<b>Total Eisenhower Professional Development</b>			<u>5,502</u>		<u>6,220</u>	
Title VI - Innovative Educational Program Strategies	84.298	046524-C2-S1-2002	<u>5,784</u>		<u>5,784</u>	
Class Size Reduction	84.340	046524-CR-S1-2002	<u>25,888</u>		<u>25,737</u>	
<b>Total U.S. Department of Education</b>			<u>200,750</u>		<u>214,313</u>	
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED THROUGH THE OHIO DEPARTMENT OF JOB AND FAMILY SERVICES</b>						
(E) Prevention, Retention and Contingency Program	93.558	N/A	-		1,594	
<b>Total U.S. Department of Health and Human Services</b>			-		1,594	
<b>Total Federal Financial Assistance</b>			<u>\$ 271,882</u>	<u>\$ 17,745</u>	<u>\$ 287,039</u>	<u>\$ 17,012</u>

(A) Included as part of "Nutrition Grant Cluster" in determining major programs.  
(B) The Food Distribution Program is a non-cash, in kind, federal grant. Commodities are valued at fair market prices.  
(C) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.

(D) This schedule was prepared on the cash basis of accounting.  
(E) These funds were passed through Crawford County.

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# TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 Worthington Woods Boulevard  
Suite B  
Worthington, Ohio 43085

Telephone 614.846.1899  
Facsimile 614.846.2799

## **Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance With *Government Auditing Standards***

Board of Education  
Wynford Local School District  
3288 Holmes Center Road  
Bucyrus, Ohio 44820-9462

We have audited the general purpose financial statements of Wynford Local School District as of and for the fiscal year ended June 30, 2002, and have issued our report thereon dated October 3, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether Wynford Local 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 general purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of Wynford Local School District in a separate letter dated October 3, 2002.

Board of Education  
Wynford Local School District

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Wynford Local School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. 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 Wynford Local School District in a separate letter dated October 3, 2002.

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

Trimble, Julian & Grube, Inc.  
October 3, 2002

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1445 Worthington Woods Boulevard  
Suite B  
Worthington, Ohio 43085

Telephone 614.846.1899  
Facsimile 614.846.2799

## **Report on Compliance With Requirements Applicable to Its Major Federal Programs and on Internal Control Over Compliance in Accordance With *OMB Circular A-133***

Board of Education  
Wynford Local School District  
3288 Holmes Center Rd.  
Bucyrus, Ohio 44820-9462

### Compliance

We have audited the compliance of Wynford Local 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, 2002. Wynford Local 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 are the responsibility of Wynford Local School District's management. Our responsibility is to express an opinion on Wynford Local School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about Wynford Local 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 Wynford Local School District's compliance with those requirements.

Board of Education  
Wynford Local School District

In our opinion, Wynford Local 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, 2002.

#### Internal Control Over Compliance

The management of Wynford Local 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 Wynford Local School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133*.

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

This report is intended for the information and use of management, the Board of Education of Wynford Local 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.  
October 3, 2002

**WYNFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY  
JUNE 30, 2002**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505**

**1. SUMMARY OF AUDITOR'S RESULTS**

<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

**WYNFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY  
JUNE 30, 2002**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505**

<b>1. SUMMARY OF AUDITOR'S RESULTS (Continued)</b>		
<i>(d)(1)(vii)</i>	<i>Major Programs:</i>	Title I-CFDA #84.010; Title VI-B-CFDA #84.027
<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>	No

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

**WYNFORD LOCAL SCHOOL DISTRICT  
CRAWFORD COUNTY  
JUNE 30, 2002**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A-133 § .505**

<b><u>Finding Number</u></b>	<b><u>Finding Summary</u></b>	<b><u>Fully Corrected?</u></b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No <u>Longer Valid</u>; <i>Explain:</i></b>
2001-WLSD-001	Ohio Revised Code Section 5705.39	Yes	N/A





STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**WYNFORD LOCAL SCHOOL DISTRICT**

**CRAWFORD 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  
DECEMBER 3, 2002**