

**CRESTLINE EXEMPTED VILLAGE  
SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

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

**BARBARA J. DONOHUE, TREASURER**



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

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Board of Education  
Crestline Exempted Village School District  
511 South Thoman  
Crestline, Oh 44827

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

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

**JIM PETRO**  
Auditor of State

January 12, 2001

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

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## Independent Auditor's Report

Board of Education  
Crestline Exempted Village School District  
511 South Thoman  
Crestline, Ohio 44827

We have audited the accompanying general purpose financial statements of the Crestline Exempted Village School District, Crawford, Ohio, as of and for the fiscal year ended June 30, 2000. These general purpose financial statements are the responsibility of Crestline Exempted Village School District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 Crestline Exempted Village School District, Crawford County, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the fiscal year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 30, 2000, on our consideration of the Crestline Exempted Village School 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 Crestline Exempted Village School District, Ohio, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Trimble, Julian & Grube, Inc.  
November 30, 2000

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT**  
**CRAWFORD COUNTY, OHIO**  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 2000

|  | Governmental Fund Types |                 |              | Proprietary Fund Types |            | Fiduciary Fund Types |                  | Account Groups       |                       |  | Total (Memorandum Only) |
|--|-------------------------|-----------------|--------------|------------------------|------------|----------------------|------------------|----------------------|-----------------------|--|-------------------------|
|  | General                 | Special Revenue | Debt Service | Capital Projects       | Enterprise | Internal Service     | Trust and Agency | General Fixed Assets | Long-Term Obligations |  |                         |
|  |                         |                 |              |                        |            |                      |                  |                      |                       |  |                         |
| <b>ASSETS AND OTHER DEBITS</b>   |                         |                 |              |                        |            |                      |                  |                      |                       |  |                         |
| <b>ASSETS:</b>   |                         |                 |              |                        |            |                      |                  |                      |                       |  |                         |
| Equity in pooled cash and cash equivalents. . . . .  | \$434,107               | \$255,113       | \$795        | \$204,008              | \$185,339  | \$431,925            | \$11,692         |                      |                       |  | \$1,522,979             |
| Receivables (net of allowances of uncollectibles):   |                         |                 |              |                        |            |                      |                  |                      |                       |  |                         |
| Taxes - current and delinquent . . . . .   | 2,526,497               |                 | 167,671      | 157,059                | 7,011      |                      |                  |                      |                       |  | 2,851,227               |
| Accounts . . . . .   | 882                     |                 |              |                        |            |                      |                  |                      |                       |  | 7,893                   |
| Accrued interest . . . . .   | 993                     |                 |              |                        |            |                      |                  |                      |                       |  | 993                     |
| Interfund loan receivable. . . . .   | 4,036                   |                 |              |                        |            |                      |                  |                      |                       |  | 4,036                   |
| Advances to other funds. . . . .   | 7,250                   |                 |              |                        |            |                      |                  |                      |                       |  | 7,250                   |
| Prepayments . . . . .  | 2,385                   |                 |              |                        |            |                      |                  |                      |                       |  | 2,385                   |
| Materials and supplies inventory. . . . .  | 11,809                  |                 |              |                        | 4,004      |                      |                  |                      |                       |  | 15,813                  |
| Restricted assets:   |                         |                 |              |                        |            |                      |                  |                      |                       |  |                         |
| Equity in pooled cash and cash equivalents. . . . .  | 127,148                 |                 |              |                        |            |                      |                  |                      |                       |  | 127,148                 |
| Property, plant and equipment (net of accumulated depreciation where applicable) . . . . . |                         |                 |              |                        | 53,376     |                      |                  |                      | \$4,951,464           |  | 5,004,840               |
| <b>OTHER DEBITS:</b>   |                         |                 |              |                        |            |                      |                  |                      |                       |  |                         |
| Amount available in debt service fund. . . . .   |                         |                 |              |                        |            |                      |                  |                      | \$45,772              |  | 45,772                  |
| Amount to be provided for retirement of general long-term obligations. . . . .             |                         |                 |              |                        |            |                      |                  |                      | 697,812               |  | 697,812                 |
| Total assets and other debits. . . . .   | \$3,115,107             | \$255,113       | \$168,466    | \$361,067              | \$249,730  | \$431,925            | \$11,692         | \$4,951,464          | \$743,584             |  | \$10,288,148            |

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

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT**  
**CRAWFORD COUNTY, OHIO**  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 2000

|  | Governmental Fund Types |                 |              |                  | Proprietary Fund Types |                  |                  | Fiduciary Fund Types |                       | Account Groups |              |  | Total (Memorandum Only) |
|--|-------------------------|-----------------|--------------|------------------|------------------------|------------------|------------------|----------------------|-----------------------|----------------|--------------|--|-------------------------|
|  | General                 | Special Revenue | Debt Service | Capital Projects | Enterprise             | Internal Service | Trust and Agency | General Fixed Assets | Long-Term Obligations | General        |              |  |                         |
|  |                         |                 |              |                  |                        |                  |                  |                      |                       | General        | Fixed Assets |  |                         |
| <b>LIABILITIES, EQUITY AND OTHER CREDITS</b>                     |                         |                 |              |                  |                        |                  |                  |                      |                       |                |              |  |                         |
| <b>LIABILITIES:</b>  |                         |                 |              |                  |                        |                  |                  |                      |                       |                |              |  |                         |
| Accounts payable . . . . .                                       | \$8,569                 | \$3,623         |              |                  | \$173                  |                  | \$8              |                      |                       |                |              |  | \$12,373                |
| Accrued wages and benefits . . . . .                             | 604,047                 | 82,588          |              |                  | 26,301                 |                  |                  |                      |                       |                |              |  | 712,936                 |
| Compensated absences payable . . . . .                           | 69,446                  | 123             |              |                  | 14,459                 |                  |                  |                      | \$302,431             |                |              |  | 386,459                 |
| Pension obligation payable . . . . .                             | 80,666                  | 10,506          |              |                  | 14,344                 |                  |                  |                      | 41,153                |                |              |  | 146,669                 |
| Interfund loan payable . . . . .                                 |                         | 4,036           |              |                  |                        |                  |                  |                      |                       |                |              |  | 4,036                   |
| Advances from other funds . . . . .                              |                         | 7,250           |              |                  |                        |                  |                  |                      |                       |                |              |  | 7,250                   |
| Deferred revenue . . . . .                                       | 1,848,406               |                 | \$122,694    | \$114,906        | 2,306                  | \$126,666        |                  |                      |                       |                |              |  | 2,088,312               |
| Claims payable . . . . .   |                         |                 |              |                  |                        |                  |                  |                      |                       |                |              |  | 126,666                 |
| Due to students . . . . .  |                         |                 |              |                  |                        |                  |                  | 7,308                |                       |                |              |  | 7,308                   |
| General obligation bonds payable . . . . .                       |                         |                 |              |                  |                        |                  |                  |                      |                       | 400,000        |              |  | 400,000                 |
| Total liabilities . . . . .                                      | 2,611,134               | 108,126         | 122,694      | 114,906          | 57,583                 | 126,666          | 7,316            |                      |                       | -              | 743,584      |  | 3,892,009               |
| <b>EQUITY AND OTHER CREDITS:</b>                                 |                         |                 |              |                  |                        |                  |                  |                      |                       |                |              |  |                         |
| Investment in general fixed assets . . . . .                     |                         |                 |              |                  |                        |                  |                  |                      |                       | \$4,951,464    |              |  | 4,951,464               |
| Contributed capital . . . . .                                    |                         |                 |              |                  |                        |                  |                  |                      |                       | 9,300          |              |  | 9,300                   |
| Retained earnings: unreserved . . . . .                          |                         |                 |              |                  |                        |                  |                  |                      |                       | 182,847        | 305,259      |  | 488,106                 |
| Fund balances:   |                         |                 |              |                  |                        |                  |                  |                      |                       |                |              |  |                         |
| Reserved for encumbrances . . . . .                              | 18,895                  | 4,659           |              | 79,280           |                        |                  |                  |                      |                       |                |              |  | 102,834                 |
| Reserved for prepayments . . . . .                               | 2,385                   |                 |              |                  |                        |                  |                  |                      |                       |                |              |  | 2,385                   |
| Reserved for materials and supplies inventory . . . . .          | 11,809                  |                 |              |                  |                        |                  |                  |                      |                       |                |              |  | 11,809                  |
| Reserved for debt service . . . . .                              |                         |                 |              |                  |                        |                  | 795              |                      |                       |                |              |  | 795                     |
| Reserved for tax revenue unavailable for appropriation . . . . . | 677,580                 |                 |              | 42,121           |                        |                  |                  |                      |                       |                |              |  | 764,678                 |
| Reserved for advances . . . . .                                  | 7,250                   |                 |              |                  |                        |                  |                  |                      |                       |                |              |  | 7,250                   |
| Reserved for budget stabilization . . . . .                      | 113,792                 |                 |              |                  |                        |                  |                  |                      |                       |                |              |  | 113,792                 |
| Reserved for textbooks . . . . .                                 | 13,356                  |                 |              |                  |                        |                  |                  |                      |                       |                |              |  | 13,356                  |
| Unreserved-undesignated . . . . .                                | (341,094)               | 142,328         |              | 124,760          |                        |                  |                  |                      |                       |                | 4,376        |  | (69,630)                |
| Total equity and other credits . . . . .                         | 503,973                 | 146,987         | 45,772       | 246,161          | 192,147                | 305,259          | 4,376            |                      |                       | 4,951,464      | -            |  | 6,396,139               |
| Total liabilities, equity and other credits . . . . .            | \$3,115,107             | \$255,113       | \$168,466    | \$361,067        | \$249,730              | \$431,925        | \$11,692         |                      |                       | \$4,951,464    | \$743,584    |  | \$10,288,148            |

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

**CRESTLINE EXEMPTED VILLAGE 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, 2000

|  | Governmental Fund Types |                    |                 |                     | Fiduciary<br>Fund Type | Total<br>(Memorandum<br>Only) |
|--|-------------------------|--------------------|-----------------|---------------------|------------------------|-------------------------------|
|  | General                 | Special<br>Revenue | Debt<br>Service | Capital<br>Projects | Expendable<br>Trust    |                               |
| <b>Revenues:</b>   |                         |                    |                 |                     |                        |                               |
| From local sources:  |                         |                    |                 |                     |                        |                               |
| Taxes . . . . .  | \$2,618,308             |                    | \$64,514        | \$163,850           |                        | \$2,846,672                   |
| Earnings on investments . . . . .  | 88,401                  | \$1,386            |                 |                     |                        | 89,787                        |
| Extracurricular . . . . .  |                         | 61,378             |                 |                     |                        | 61,378                        |
| Other local revenues . . . . .   | 27,938                  | 13,134             |                 | 3,559               | \$4,947                | 49,578                        |
| Restricted grants . . . . .  |                         | 5,389              |                 | 35,150              |                        | 40,539                        |
| Intergovernmental - State . . . . .  | 2,958,150               | 386,283            | 7,189           | 27,328              |                        | 3,378,950                     |
| Intergovernmental - Federal . . . . .  |                         | 281,614            |                 |                     |                        | 281,614                       |
| <b>Total revenue . . . . .</b>   | <b>5,692,797</b>        | <b>749,184</b>     | <b>71,703</b>   | <b>229,887</b>      | <b>4,947</b>           | <b>6,748,518</b>              |
| <b>Expenditures:</b>   |                         |                    |                 |                     |                        |                               |
| Current:   |                         |                    |                 |                     |                        |                               |
| Instruction:   |                         |                    |                 |                     |                        |                               |
| Regular . . . . .  | 2,542,438               | 204,528            |                 | 14,071              | 3,603                  | 2,764,640                     |
| Special . . . . .  | 355,992                 | 180,137            |                 |                     |                        | 536,129                       |
| Vocational . . . . .   | 149,431                 |                    |                 |                     |                        | 149,431                       |
| Other . . . . .  | 95,630                  |                    |                 |                     |                        | 95,630                        |
| Support services:  |                         |                    |                 |                     |                        |                               |
| Pupil . . . . .  | 190,076                 | 58,349             |                 |                     |                        | 248,425                       |
| Instructional staff . . . . .  | 228,407                 | 66,297             |                 | 11,822              |                        | 306,526                       |
| Board of Education . . . . .   | 57,554                  |                    |                 |                     |                        | 57,554                        |
| Administration . . . . .   | 626,685                 | 8,589              |                 |                     |                        | 635,274                       |
| Fiscal . . . . .   | 203,681                 |                    | 244             | 1,520               |                        | 205,445                       |
| Operations and maintenance . . . . .   | 616,361                 | 9,554              |                 | 175,965             |                        | 801,880                       |
| Pupil transportation . . . . .   | 232,093                 | 113                |                 |                     |                        | 232,206                       |
| Central . . . . .  |                         | 2,290              |                 |                     |                        | 2,290                         |
| Community services . . . . .   |                         | 6,851              |                 |                     | 1,006                  | 7,857                         |
| Extracurricular activities . . . . .   | 223,175                 | 69,357             |                 |                     | 35                     | 292,567                       |
| Facilities acquisition and construction . . . . .  |                         |                    |                 | 81,311              |                        | 81,311                        |
| Intergovernmental pass through . . . . .   |                         | 61,062             |                 |                     |                        | 61,062                        |
| Debt service:  |                         |                    |                 |                     |                        |                               |
| Principal retirement . . . . .   |                         |                    | 150,000         |                     |                        | 150,000                       |
| Interest and fiscal charges . . . . .  |                         |                    | 27,629          |                     |                        | 27,629                        |
| <b>Total expenditures . . . . .</b>  | <b>5,521,523</b>        | <b>667,127</b>     | <b>177,873</b>  | <b>284,689</b>      | <b>4,644</b>           | <b>6,655,856</b>              |
| Excess (deficiency) of revenues<br>over (under) expenditures . . . . .   | 171,274                 | 82,057             | (106,170)       | (54,802)            | 303                    | 92,662                        |
| Other financing sources (expenses):  |                         |                    |                 |                     |                        |                               |
| Operating transfers in . . . . .   |                         |                    | 122,230         |                     |                        | 122,230                       |
| Operating transfers out . . . . .  | (122,230)               |                    |                 |                     |                        | (122,230)                     |
| <b>Total other financing sources (expenses) . . . . .</b>  | <b>(122,230)</b>        | <b>-</b>           | <b>122,230</b>  | <b>-</b>            | <b>-</b>               | <b>0</b>                      |
| Excess (deficiency) of revenues and<br>other financing sources over/(under)<br>expenditures and other financing uses . . . . . | 49,044                  | 82,057             | 16,060          | (54,802)            | 303                    | 92,662                        |
| Fund balances, July 1, 1999 . . . . .  | 457,353                 | 64,930             | 29,712          | 300,963             | 4,073                  | 857,031                       |
| Decrease in reserve for inventory . . . . .  | (2,424)                 |                    |                 |                     |                        | (2,424)                       |
| <b>Fund balances, June 30, 2000 . . . . .</b>  | <b>\$503,973</b>        | <b>\$146,987</b>   | <b>\$45,772</b> | <b>\$246,161</b>    | <b>\$4,376</b>         | <b>\$947,269</b>              |

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

**CRESTLINE EXPEMPTED VILLAGE 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, 2000

|   | General           |             |   |  | Special Revenue   |           |   |  | Debt Service      |             |   |  | Capital Projects  |           |   |           | Total (Memorandum only) |             |   |         |
|---|-------------------|-------------|---|--|-------------------|-----------|---|--|-------------------|-------------|---|--|-------------------|-----------|---|-----------|-------------------------|-------------|---|---------|
|   | Revised<br>Budget | Actual      | Variance:<br>Favorable<br>(Unfavorable) |  | Revised<br>Budget | Actual    | Variance:<br>Favorable<br>(Unfavorable) |  | Revised<br>Budget | Actual      | Variance:<br>Favorable<br>(Unfavorable) |  | Revised<br>Budget | Actual    | Variance:<br>Favorable<br>(Unfavorable) |           | Budget<br>Revised       | Actual      | Variance:<br>Favorable<br>(Unfavorable) |         |
|   |                   |             |   |  |                   |           |   |  |                   |             |   |  |                   |           |   |           |                         |             |   |         |
| <b>Revenues:</b>  |                   |             |   |  |                   |           |   |  |                   |             |   |  |                   |           |   |           |                         |             |   |         |
| From local sources:   |                   |             |   |  |                   |           |   |  |                   |             |   |  |                   |           |   |           |                         |             |   |         |
| Taxes.....  | \$2,394,861       | \$2,612,916 | \$218,055                               |  | \$1,275           | \$1,386   | \$111                                   |  | \$35,849          | (\$121,022) |   |  | \$149,619         | \$155,340 | \$5,721                                 |           | \$2,701,351             | \$2,804,105 | \$102,754                               |         |
| Earnings on investments.....  | 84,010            | 87,407      | 3,397                                   |  | 56,451            | 61,378    | 4,927                                   |  |                   |             |   |  | 56,451            | 61,378    | 4,927                                   |           | 85,285                  | 88,793      | 3,508                                   |         |
| Extracurricular.....  |                   |             |   |  | 12,080            | 13,134    | 1,054                                   |  |                   |             |   |  | 3,428             | 3,559     | 131                                     |           | 41,514                  | 43,750      | 2,236                                   |         |
| Other local revenues.....   | 26,006            | 27,057      | 1,051                                   |  | 3,825             | 4,159     | 334                                     |  |                   |             |   |  | 33,856            | 35,151    | 1,295                                   |           | 37,681                  | 39,310      | 1,629                                   |         |
| Other revenue.....  | 2,843,323         | 2,958,279   | 114,956                                 |  | 347,138           | 377,435   | 30,297                                  |  | 7,189             | 0           |   |  | 26,322            | 27,328    | 1,006                                   |           | 3,223,972               | 3,370,231   | 146,259                                 |         |
| Intergovernmental - State.....  |                   |             |   |  | 263,809           | 286,833   | 23,024                                  |  |                   |             |   |  |                   |           |   |           |                         | 263,809     | 286,833                                 | 23,024  |
| Intergovernmental - Federal.....  |                   |             |   |  | 684,578           | 744,325   | 59,747                                  |  |                   |             |   |  |                   |           |   |           |                         | 6,410,063   | 6,694,400                               | 284,337 |
| Total revenues.....   | 5,348,200         | 5,685,659   | 337,459                                 |  |                   |           |   |  | 164,060           | (121,022)   |   |  | 213,225           | 221,378   | 8,153                                   |           | 6,410,063               | 6,694,400   | 284,337                                 |         |
| <b>Expenditures:</b>  |                   |             |   |  |                   |           |   |  |                   |             |   |  |                   |           |   |           |                         |             |   |         |
| Current:  |                   |             |   |  |                   |           |   |  |                   |             |   |  |                   |           |   |           |                         |             |   |         |
| Instruction:  |                   |             |   |  |                   |           |   |  |                   |             |   |  |                   |           |   |           |                         |             |   |         |
| Regular.....  | 2,446,279         | 2,447,700   | (1,421)                                 |  | 213,006           | 207,122   | 5,884                                   |  |                   |             |   |  | 14,535            | 14,077    | 458                                     |           | 2,673,820               | 2,668,899   | 4,921                                   |         |
| Special.....  | 347,360           | 347,559     | (199)                                   |  | 185,301           | 180,183   | 5,118                                   |  |                   |             |   |  |                   |           |   |           | 532,661                 | 527,742     | 4,919                                   |         |
| Vocational.....   | 175,200           | 175,300     | (100)                                   |  |                   |           |   |  |                   |             |   |  |                   |           |   |           | 175,200                 | 175,300     | (100)                                   |         |
| Other.....  | 95,576            | 95,631      | (55)                                    |  |                   |           |   |  |                   |             |   |  |                   |           |   |           | 95,576                  | 95,631      | (55)                                    |         |
| Support services:   |                   |             |   |  |                   |           |   |  |                   |             |   |  |                   |           |   |           |                         |             |   |         |
| Pupil.....  | 194,026           | 194,137     | (111)                                   |  | 57,078            | 55,501    | 1,577                                   |  |                   |             |   |  | 12,490            | 12,096    | 394                                     |           | 308,930                 | 306,828     | 2,102                                   |         |
| Instructional staff.....  | 229,827           | 229,959     | (132)                                   |  | 66,613            | 64,773    | 1,840                                   |  |                   |             |   |  |                   |           |   |           | 59,061                  | 59,095      | (34)                                    |         |
| Board of Education.....   | 59,061            | 59,095      | (34)                                    |  |                   |           |   |  |                   |             |   |  |                   |           |   |           | 629,021                 | 629,146     | (125)                                   |         |
| Administration.....   | 620,692           | 621,047     | (355)                                   |  | 8,329             | 8,099     | 230                                     |  | 243               | 0           |   |  | 1,569             | 1,520     | 49                                      |           | 202,435                 | 202,435     | (66)                                    |         |
| Fiscal.....   | 200,557           | 200,672     | (115)                                   |  | 9,434             | 9,173     | 261                                     |  |                   |             |   |  | 263,265           | 254,970   | 8,295                                   |           | 888,305                 | 880,101     | 8,204                                   |         |
| Operations and maintenance.....   | 615,606           | 615,958     | (352)                                   |  | 116               | 113       | 3                                       |  |                   |             |   |  |                   |           |   |           | 239,810                 | 239,944     | (134)                                   |         |
| Pupil transportation.....   | 239,694           | 239,831     | (137)                                   |  |                   |           |   |  |                   |             |   |  |                   |           |   |           | 2,356                   | 2,291       | 65                                      |         |
| Central.....  |                   |             |   |  |                   |           |   |  |                   |             |   |  |                   |           |   |           | 7,094                   | 6,898       | 1,996                                   |         |
| Community services.....   |                   |             |   |  | 7,094             | 6,898     | 196                                     |  |                   |             |   |  |                   |           |   |           | 286,737                 | 284,844     | 1,893                                   |         |
| Extracurricular activities.....   | 213,788           | 213,910     | (122)                                   |  | 72,949            | 70,934    | 2,015                                   |  |                   |             |   |  | 83,957            | 81,311    | 2,646                                   |           | 83,957                  | 81,311      | 2,646                                   |         |
| Facilities acquisition and construction.....  |                   |             |   |  | 68,469            | 66,578    | 1,891                                   |  |                   |             |   |  |                   |           |   |           | 68,469                  | 66,578      | 1,891                                   |         |
| Intergovernmental pass through.....   |                   |             |   |  |                   |           |   |  |                   |             |   |  |                   |           |   |           | 150,000                 | 150,000     | 0                                       |         |
| Debt service:   |                   |             |   |  |                   |           |   |  |                   |             |   |  |                   |           |   |           |                         |             |   |         |
| Principal retirement.....   |                   |             |   |  |                   |           |   |  | 150,000           | 150,000     | 0                                       |  |                   |           |   |           | 27,630                  | 27,630      | 0                                       |         |
| Interest and fiscal charges.....  |                   |             |   |  |                   |           |   |  | 27,630            | 27,630      | 0                                       |  |                   |           |   |           | 27,630                  | 27,630      | 0                                       |         |
| Total expenditures.....   | 5,437,666         | 5,440,799   | (3,133)                                 |  | 690,745           | 671,665   | 19,080                                  |  | 177,873           | 177,873     | 0                                       |  | 375,816           | 363,974   | 11,842                                  |           | 6,682,100               | 6,654,311   | 27,789                                  |         |
| Excess (deficiency) of revenues<br>over (under) expenditures.....   | (89,466)          | 244,860     | 334,326                                 |  | (6,167)           | 72,660    | 78,827                                  |  | (13,813)          | (134,835)   | (121,022)                               |  | (162,591)         | (142,596) | 19,995                                  |           | (272,037)               | 40,089      | 312,126                                 |         |
| Other financing sources (uses):   |                   |             |   |  |                   |           |   |  |                   |             |   |  |                   |           |   |           |                         |             |   |         |
| Refund of prior year's expenditures.....  |                   |             |   |  | 3,338             | 3,629     | 291                                     |  |                   |             |   |  |                   |           |   |           | 3,338                   | 3,629       | 291                                     |         |
| Refund of prior year's receipts.....  | (3,627)           | (3,629)     | (2)                                     |  |                   |           |   |  | 0                 | 122,230     | 122,230                                 |  |                   |           |   | (3,627)   | (3,629)                 | (2)         |   |         |
| Operating transfers in.....   |                   |             |   |  |                   |           |   |  |                   |             |   |  |                   |           |   |           | 0                       | 122,230     | 122,230                                 |         |
| Operating transfers (out).....  | (122,160)         | (122,230)   | (70)                                    |  | 45,157            | 49,098    | 3,941                                   |  | 0                 | 2,135       | 2,135                                   |  |                   |           |   | (122,160) | (122,230)               | (70)        |   |         |
| Advances in.....  | 116,456           | 121,164     | 4,708                                   |  | (46,342)          | (45,062)  | 1,280                                   |  | (2,135)           | (2,135)     | 0                                       |  |                   |           |   | (122,160) | (122,230)               | (70)        |   |         |
| Advances (out).....   | (125,128)         | (125,200)   | (72)                                    |  | 2,153             | 7,665     | 5,512                                   |  | (2,153)           | (2,153)     | 0                                       |  |                   |           |   | (173,605) | (172,397)               | 10,784      |   |         |
| Total other financing sources (uses).....   | (134,459)         | (129,895)   | 4,564                                   |  |                   |           |   |  | (2,153)           | 122,230     | 124,365                                 |  |                   |           |   | (134,441) | 0                       | 134,441     |   |         |
| Excess (deficiency) of revenues and<br>other financing sources over (under)<br>expenditures and other financing (uses)..... | (223,925)         | 114,965     | 338,890                                 |  | (4,014)           | 80,325    | 84,339                                  |  | (15,948)          | (12,605)    | 3,343                                   |  | (162,591)         | (142,596) | 19,995                                  |           | (406,478)               | 40,089      | 446,567                                 |         |
| Fund balances, July 1, 1999.....  | 403,678           | 403,678     | 0                                       |  | 128,406           | 128,406   | 0                                       |  | 13,400            | 13,400      | 0                                       |  | 173,799           | 173,799   | 0                                       |           | 719,283                 | 719,283     | 0                                       |         |
| Prior year encumbrances appropriated.....   | 19,657            | 19,657      | 0                                       |  | 38,190            | 38,190    | 0                                       |  | 0                 | 0           | 0                                       |  | 93,524            | 93,524    | 0                                       |           | 151,371                 | 151,371     | 0                                       |         |
| Fund balances, June 30, 2000.....   | \$199,410         | \$538,300   | \$338,890                               |  | \$162,582         | \$246,921 | \$84,339                                |  | (\$2,548)         | \$795       | \$3,343                                 |  | \$104,732         | \$124,727 | \$19,995                                |           | \$464,176               | \$910,743   | \$446,567                               |         |

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



**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT**  
**CRAWFORD COUNTY, OHIO**  
 COMBINED STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN RETAINED EARNINGS  
 ALL PROPRIETARY FUND TYPES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

|   | Proprietary Fund Types |                     | Total<br>(Memorandum<br>Only) |
|---|------------------------|---------------------|-------------------------------|
|   | Enterprise             | Internal<br>Service |                               |
| Operating revenues:                       |                        |                     |                               |
| Tuition and fees . . . . .                | \$145,101              |                     | \$145,101                     |
| Sales/charges for services . . . . .      | 137,184                | \$689,650           | 826,834                       |
| <br>Total operating revenues . . . . .    | <br>282,285            | <br>689,650         | <br>971,935                   |
| Operating expenses:                       |                        |                     |                               |
| Personal services . . . . .               | 273,021                |                     | 273,021                       |
| Contract services . . . . .               | 24,184                 | 89,397              | 113,581                       |
| Materials and supplies . . . . .          | 168,816                |                     | 168,816                       |
| Depreciation . . . . .                    | 5,427                  |                     | 5,427                         |
| Claims expenses . . . . .                 |                        | 681,651             | 681,651                       |
| Other expenses . . . . .                  | 793                    |                     | 793                           |
| <br>Total operating expenses . . . . .    | <br>472,241            | <br>771,048         | <br>1,243,289                 |
| Operating loss . . . . .                  | (189,956)              | (81,398)            | (271,354)                     |
| Nonoperating revenues:                    |                        |                     |                               |
| Operating grants . . . . .                | 131,843                |                     | 131,843                       |
| Federal commodities . . . . .             | 23,818                 |                     | 23,818                        |
| Miscellaneous . . . . .                   | 8,206                  |                     | 8,206                         |
| Investment earnings . . . . .             | 1,080                  |                     | 1,080                         |
| Loss on disposal of assets . . . . .      | (2,235)                |                     | (2,235)                       |
| <br>Total nonoperating revenues . . . . . | <br>162,712            | <br>-               | <br>162,712                   |
| Net loss . . . . .                        | (27,244)               | (81,398)            | (108,642)                     |
| Retained earnings, July 1, 1999 . . . . . | 210,091                | 386,657             | 596,748                       |
| Retained earnings, June 30, 2000. . . . . | <u>\$182,847</u>       | <u>\$305,259</u>    | <u>\$488,106</u>              |

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

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT**  
**CRAWFORD COUNTY, OHIO**  
 COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY FUND TYPES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

|   | Proprietary Fund Types |                     | Total<br>(Memorandum<br>Only) |
|---|------------------------|---------------------|-------------------------------|
|   | Enterprise             | Internal<br>Service |                               |
| Cash flows from operating activities:   |                        |                     |                               |
| Cash received from tuition and fees . . . . .                                     | \$143,579              |                     | \$143,579                     |
| Cash received from sales/service charges . . . . .                                | 137,184                | \$689,650           | 826,834                       |
| Cash payments for personal services . . . . .                                     | (257,720)              |                     | (257,720)                     |
| Cash payments for contract services . . . . .                                     | (24,137)               | (737,809)           | (761,946)                     |
| Cash payments for supplies and materials . . . . .                                | (145,107)              |                     | (145,107)                     |
| Cash payments for other expenses . . . . .  | (793)                  |                     | (793)                         |
| Net cash used in operating activities . . . . .                                   | (146,994)              | (48,159)            | (195,153)                     |
| Cash flows from noncapital financing activities:                                  |                        |                     |                               |
| Cash received from operating grants . . . . .                                     | 132,448                |                     | 132,448                       |
| Cash received from miscellaneous revenue . . . . .                                | 8,206                  |                     | 8,206                         |
| Net cash provided by noncapital financing activities . . . . .                    | 140,654                | -                   | 140,654                       |
| Cash flows from capital and related financing activities:                         |                        |                     |                               |
| Acquisition of capital assets . . . . .   | (3,152)                |                     | (3,152)                       |
| Net cash used in capital and related financing activities . . . . .               | (3,152)                | -                   | (3,152)                       |
| Cash flows from investing activities:   |                        |                     |                               |
| Interest on cash equivalents . . . . .  | 1,080                  |                     | 1,080                         |
| Net cash provided by investing activities . . . . .                               | 1,080                  | -                   | 1,080                         |
| Net decrease in cash and cash equivalents . . . . .                               | (8,412)                | (48,159)            | (56,571)                      |
| Cash and cash equivalents at beginning of year . . . . .                          | 193,751                | 480,084             | 673,835                       |
| Cash and cash equivalents at end of year . . . . .                                | <u>\$185,339</u>       | <u>\$431,925</u>    | <u>\$617,264</u>              |
| Reconciliation of operating loss to net cash used in operating activities:        |                        |                     |                               |
| Operating loss . . . . .  | (\$189,956)            | (\$81,398)          | (\$271,354)                   |
| Adjustments to reconcile operating loss to net cash used in operating activities: |                        |                     |                               |
| Depreciation . . . . .  | 5,427                  |                     | 5,427                         |
| Federal donated commodities . . . . .   | 23,818                 |                     | 23,818                        |
| Changes in assets and liabilities:  |                        |                     |                               |
| Decrease in materials and supplies inventory . . . . .                            | 2,746                  |                     | 2,746                         |
| Increase in accounts receivable . . . . .   | (1,522)                |                     | (1,522)                       |
| Increase in accounts payable . . . . .  | 58                     |                     | 58                            |
| Increase in accrued wages and benefits . . . . .                                  | 5,326                  |                     | 5,326                         |
| Increase in compensated absences payable . . . . .                                | 11,187                 |                     | 11,187                        |
| Decrease in pension obligation payable . . . . .                                  | (1,212)                |                     | (1,212)                       |
| Increase in claims payable . . . . .  |                        | 33,239              | 33,239                        |
| Decrease in deferred revenue . . . . .  | (2,866)                |                     | (2,866)                       |
| Net cash used in operating activities . . . . .                                   | <u>(\$146,994)</u>     | <u>(\$48,159)</u>   | <u>(\$195,153)</u>            |

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

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

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

The District ranks as the 481<sup>st</sup> largest by enrollment among the 660 public and community school districts in the State. The District operates under a locally-elected five-member Board form of government and provides educational services as authorized by its charter and further mandated by state and/or federal agencies. This Board controls the District’s four instructional/support facilities staffed by 51 classified, 73 certificated full-time teaching personnel, and 7 administrators who provide services to 998 students and other community members.

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

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The District's 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.” When applying GASB Statement No. 14, management has considered all potential component units. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the Board's ability to exercise significant oversight responsibility. The most significant manifestation of this ability is financial interdependence. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of the governing authority, the designation of management, the ability to significantly influence operations, and the accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

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

this criterion involves considering whether the activity benefits the District and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, the District has no component units. The following organizations are described due to their relationship with the District:

*PUBLIC ENTITY RISK POOL*

Ohio School Boards Association (OSBA) Workers' Compensation Group Rating Program (GRP)

The District participates in a group rating plan for workers' compensation as established in Section 4123.29 of the Ohio Revised Code (see Note 12.D).

*JOINTLY GOVERNED ORGANIZATION*

Heartland Council of Governments (the COG)

The COG (formerly know as North Central Ohio Computer Cooperative) 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, at 27 Ryan Road, Shelby, Ohio 44875-0309.

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

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

*RELATED ENTITY*

Crestline Public Library (the "Library")

The District appoints the governing board of the Library, however, the District cannot influence the Library's operation nor does the Library represent a potential financial benefit for or burden on the District. The District serves in a ministerial capacity as the taxing authority for the Library. Once the Library Board determines to present a levy to the voters, including the determination of its rate and duration, the District must place the levy on the ballot. The Library may not issue debt. The Library determines its own budget.

**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) 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.

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

**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).

***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 Funds* - The enterprise funds are 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 Funds* - The internal service funds are 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.

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

**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. Agency funds are 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. See Note 3.B. for an analysis of the agency fund accruals 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 the 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 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.

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

**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 sixty 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, 2000, and which are intended to finance fiscal 2001 operations, have been recorded as deferred revenues. 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.

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.



**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

**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 2000 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.
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 2000.
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 and encumbrances may not exceed the appropriation total.

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

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.
8. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund level.

Encumbrance accounting is utilized with District funds in the normal course of operations for purchase orders and contract related expenditures. An encumbrance is a reserve on the available spending authority due to commitment for a future expenditure and does not represent a liability. For governmental fund types, encumbrances outstanding at year end appear as a reserve to the fund balance on a GAAP basis and as the equivalent of expenditures on a non-GAAP budgetary basis in order to demonstrate legal compliance. Note 16 provides a reconciliation of the budgetary and GAAP basis of accounting and Note 13 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.

During fiscal year 2000, investments were limited to certificates of deposit and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio).

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

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

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

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2000.

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 2000 amounted to \$88,401, which includes \$60,915 assigned from other District funds.

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

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

**F. Materials and Supplies Inventory**

Inventories for all governmental funds are valued at cost (first-in/first-out method). The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, material amounts of inventories at period end are reported as assets of the respective fund, which are equally offset by a fund balance reserve which indicates they are unavailable for appropriation even though they are a component of reported assets.

Inventories of proprietary funds consist of donated food, purchased food, food service paper and janitorial supplies and are valued at the lower of cost (first-in/first-out method) or market and expensed when used rather than when purchased.

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

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

**G. Fixed Assets and Depreciation**

1. General Fixed Assets Account Group

General fixed assets are capitalized at cost or estimated historical cost. 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. 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.

2. Proprietary Funds

Equipment reflected in these 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 the following estimated useful lives:

| <u>Asset</u>                         | <u>Life (years)</u> |
|--------------------------------------|---------------------|
| Furniture, Fixtures and<br>Equipment | 5-20                |

**H. Intergovernmental Revenues**

In governmental funds, entitlements and non-reimbursable grants (to the extent such grants and entitlements relate to the current fiscal year) are recorded as receivables and revenue when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenue when measurable and earned. The District currently participates in various state and federal programs categorized as follows:

Entitlements

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

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

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

*Non-Reimbursable Grants*

Special Revenue Fund

Education Management Information Systems  
Title VI-B  
Teacher Professional Development  
Title I  
Title VI  
Drug Free School Grant  
Disadvantaged Pupil Impact Aid  
Auxiliary Services  
Public School Preschool  
EHA Preschool Grants for the Handicapped  
Education for Economic Security Act  
Miscellaneous Federal Grants  
Data Communications  
SchoolNet Professional Development  
Ohio Reads  
Safe & Drug Free School Coordinator  
Class Size Reduction

Capital Projects Funds

Technology Equity  
Permanent Improvement

*Reimbursable Grants*

General Fund

Driver Education Reimbursement  
Vocational Education Travel/Salary

Special Revenue Fund

Telecommunications

Proprietary Funds

National School Lunch Program

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

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

*Reimbursable Grants - (Continued)*

Proprietary Funds - (Continued)

School Breakfast Program

Government Donated Commodities (Food Distribution)

Daycare Program

Preschool Program

Library Automation

Grants and entitlements amounted to approximately 48% of the District's operating revenue during the 2000 fiscal year.

**I. 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 fifty or greater with at least ten years of service and all employees with at least twenty years of service regardless of their 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.

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

**J. Long-Term Obligations**

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a government fund. The remaining portion of such obligations is reported in the general long-term obligations account group.

Under Ohio law, a debt retirement fund must be created and used for the payment of all debt principal interest. Generally accepted accounting principles require the allocation of the debt liability among the general and the general long-term obligations account group, with principal and interest payments on matured general long-term debt being reported in the debt service fund. To comply with the GAAP reporting requirements, the District's debt retirement fund has been split among the appropriate funds and account group. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

**K. Contributed 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.

**L. 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, materials and supplies inventory, debt service, tax revenue unavailable for appropriation, advances, budget stabilization, and textbooks. 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.

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

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

**M. Interfund Transactions**

Transactions between funds during the normal course of operations may occur. These may include:

1. Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded 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, accrued interfund reimbursements, and accrued operating transfers are reflected as “interfund loans receivable and payable”. The District had short-term interfund loans receivable and payable at June 30, 2000.
4. Long-term interfund loans that will not be repaid within the next year are termed “advances” and are shown as reservations of fund balances on the combined balance sheet for those funds that report advances to other funds as assets because they are not spendable, available resources. The District had long-term advances receivable and payable at June 30, 2000.

See Note 5 for an analysis of interfund transactions.

**N. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization and textbook reserve. These reserves are required by State statute. The budget stabilization reserve can be used only after receiving approval from the State Superintendent of Public Instruction. Fund balance reserves have also been established. See Note 18 for detail of statutory reserves.

**O. Estimates**

The preparation of financial statements 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 may differ from those estimates.



**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

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

**P. 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 period 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.

**Q. Parochial Schools**

Within the District's boundaries are parochial schools that are operated through the Catholic Diocese. Current state legislation provides funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the District, as directed by the parochial schools. The fiduciary responsibility of the District for these monies is reflected in a special revenue fund for financial reporting purposes.

**R. Memorandum Only - Total Columns**

Total columns on the GPFS are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with GAAP. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Deficit Fund Balances**

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

|                                | <u>Deficit Balances</u> |
|--------------------------------|-------------------------|
| <u>Special Revenue Funds</u>   |                         |
| Disadvantaged Pupil Impact Aid | \$ 2,104                |
| Public School Preschool        | 29,797                  |
| Title I                        | 13,772                  |

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

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

The Disadvantaged Pupil Impact Aid, Public School Preschool and Title I special revenue funds complied with Ohio state law, which does not permit a cash basis deficit at year end. These deficit fund balances are caused by accruing wage, benefit and retirement obligations in accordance with GAAP. These deficits will be eliminated by intergovernmental revenues and subsidies not recognized at June 30.

**B. Agency Fund**

The following are accruals for the Agency fund, which, in another fund type, would be recognized in the combined balance sheet:

LIABILITIES

|                  |      |
|------------------|------|
| Accounts Payable | \$80 |
|------------------|------|

**C. Budgetary Compliance**

In accordance with the Ohio Revised Code Section 5705.41 (B) the following funds had expenditures in excess of appropriations for the fiscal year ended June 30, 2000:

| Fund Type<br>Fund              | Appropriations | Expenditures | Excess  |
|--------------------------------|----------------|--------------|---------|
| General Fund                   | \$5,688,581    | \$5,691,858  | \$3,277 |
| <u>Special Revenue Funds:</u>  |                |              |         |
| District Managed Activity      | 68,848         | 70,791       | 1,943   |
| Preschool                      | 206,087        | 206,424      | 337     |
| Drug Free Schools              | 7,986          | 9,746        | 1,760   |
| Title VI-R                     | 24,697         | 25,297       | 600     |
| <u>Capital Projects Funds:</u> |                |              |         |
| Permanent Improvement          | 182,295        | 261,300      | 79,005  |
| SchoolNet                      | 13,103         | 13,258       | 155     |

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

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

In accordance with the Ohio Revised Code Section 5705.39 the following funds had appropriations in excess of estimated revenues plus available balances in the following funds:

| <u>Fund Type</u> | <u>Fund</u>             | <u>Excess Amount</u> |
|------------------|-------------------------|----------------------|
| Special Revenue  | Auxiliary Services      | \$ 20,683            |
| Special Revenue  | Textbook Subsidy        | 25                   |
| Special Revenue  | Title I                 | 12,299               |
| Debt Service     | Debt Service            | 2,548                |
| Capital Projects | SchoolNet               | 11,983               |
| Capital Projects | Tech Equity             | 7,009                |
| Capital Projects | Emergency Repair        | 46,161               |
| Enterprise       | Food Service            | 186,222              |
| Enterprise       | Uniform School Supplies | 10,095               |
| Enterprise       | Adult Education         | 77,831               |

**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 withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

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

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public 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 two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

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

8. Under limited circumstances, corporate debt instruments rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

*Cash on hand:* At fiscal year end, the District had \$371 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 year end, the carrying amount of the District's deposits, including non-negotiable certificates of deposit, was \$596,765 and the bank balance, including non-negotiable certificates of deposit, was \$612,899. Of the bank balance:

1. \$200,000 was covered by federal depository insurance; and
2. \$412,899 was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District held to a successful claim by the FDIC.

Collateral is required for demand deposits and certificates of deposits in excess of all deposits not covered by federal depository insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, obligations of the State of Ohio and its municipalities, and obligations of other states. Obligations pledged to secure deposits must be delivered to a bank other than the institution in which the deposit is made. Written custodial agreements are required.

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

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

*Investments:* Investments are categorized to give an indication of the level of risk assumed by the entity 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 the securities are held by the counterparty'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 counterparty or by its trust department, but not in the District's name.

The District had an investment of \$1,052,991 in STAR Ohio. STAR Ohio is not categorized because it is not evidenced by securities that exist in physical or book entry form.

The classification of cash and cash equivalents and investments on the combined balance sheet is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting."

A reconciliation between the classifications of equity in 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<br/>Equivalents/Deposits</u> | <u>Investments</u>      |
|---|---|-------------------------|
| GASB Statement No. 9                        | \$ 1,650,127                                  | \$ 0                    |
| Investments of the cash<br>management pool: |   |                         |
| Investment in STAR Ohio                     | (1,052,991)                                   | 1,052,991               |
| Cash on hand                                | <u>(371)</u>                                  | <u>---</u>              |
| <br>GASB Statement No. 3                    | <br><u>\$ 596,765</u>                         | <br><u>\$ 1,052,991</u> |

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

**NOTE 5 - INTERFUND TRANSACTIONS**

**A.** The District had the following long-term advances outstanding at June 30, 2000:

|                                   | <u>Advance to<br/>Other Fund</u> | <u>Advance from<br/>Other Fund</u> |
|-----------------------------------|----------------------------------|------------------------------------|
| General Fund                      | \$7,250                          | \$ - - -                           |
| <u>Special Revenue Fund</u>       |                                  |                                    |
| District Managed Student Activity | <u>    - - -</u>                 | <u>    7,250</u>                   |
| Total                             | <u>\$7,250</u>                   | <u>\$7,250</u>                     |

**B.** Interfund balances at June 30, 2000, consist of the following individual interfund loans receivable and payable:

|                                | <u>Interfund<br/>Receivable</u> | <u>Interfund<br/>Payable</u> |
|--------------------------------|---------------------------------|------------------------------|
| General Fund                   | \$4,036                         | \$ - - -                     |
| <u>Special Revenue Fund</u>    |                                 |                              |
| Disadvantaged Pupil Impact Aid | <u>    - - -</u>                | <u>    4,036</u>             |
| Total                          | <u>\$4,036</u>                  | <u>\$4,036</u>               |

**C.** The following is a summarized breakdown of the District's operating transfers for fiscal year 2000:

|                   | <u>Transfers In</u> | <u>Transfers Out</u> |
|-------------------|---------------------|----------------------|
| General Fund      | \$ - - -            | \$122,230            |
| Debt Service Fund | <u>122,230</u>      | <u>    - - -</u>     |
| Total             | <u>\$122,230</u>    | <u>\$122,230</u>     |

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

**NOTE 6 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis. Distributions from the second half of the calendar year occur in a new fiscal year and are intended to finance the operations of that year. Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the District. Real property taxes and public utility taxes are levied after November 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 except for the personal property of rural electric companies which is assessed 50% of market and railroads which are assessed at 29%.

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 1999 taxes were collected was \$66,397,050. Agricultural/residential and public utility real estate represented \$35,547,480 or 53.54% of this total; commercial & industrial real estate represented \$10,637,550 or 16.02% of this total, public utility tangible represented \$7,892,110 or 11.89% of this total and general tangible property represented \$12,319,910 or 18.55% of this total. The voted general tax rate at the fiscal year ended June 30, 2000 was \$59.38 per \$1,000.00 of assessed valuation for operations, \$3.00 per \$1,000.00 of assessed valuation for permanent improvements and \$0.77 per \$1,000.00 of assessed valuation for debt retirement.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20.

The District receives property taxes from Richland and Crawford Counties. The respective County Treasurers collect property taxes on behalf of the District. The respective County Auditors periodically remit to the District its portion of the taxes collected. These tax "advances" are based on statutory cash flow collection rates. Final "settlements" are made each February and August.



**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, 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. A total of \$764,678 available to the District as an advance at June 30 and is recognized as revenue.

Taxes available for advance and recognized as revenue but not received by the district prior to June 30, 2000, 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 the fiscal year end.

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2000 consisted of taxes, accounts, accrued interest, and interfund loans. Taxes receivable are considered collectible in full, due to the ability to foreclose for the nonpayment of taxes.

A summary of the principal items of receivables follows:

|                                | <u>Amounts</u> |
|--------------------------------|----------------|
| <u>General Fund</u>            |                |
| Taxes - current and delinquent | \$2,526,497    |
| <u>Debt Service Fund</u>       |                |
| Taxes - current and delinquent | 167,671        |
| <u>Capital Projects Fund</u>   |                |
| Taxes - current and delinquent | 157,059        |

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

**NOTE 8 - FIXED ASSETS**

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

|                        | <u>Balance</u><br><u>July 1, 1999</u> | <u>Additions</u> | <u>Disposals</u>   | <u>Balance</u><br><u>June 30, 2000</u> |
|------------------------|---------------------------------------|------------------|--------------------|--|
| Land/Improvements      | \$ 35,851                             | \$ ---           | \$ (13,100)        | \$ 22,751                              |
| Buildings/Improvements | 3,351,107                             | 131,520          | ---                | 3,482,627                              |
| Furniture/Equipment    | 1,357,913                             | 128,497          | (304,077)          | 1,182,333                              |
| Vehicles               | <u>263,753</u>                        | <u>---</u>       | <u>---</u>         | <u>263,753</u>                         |
| Total                  | <u>\$5,008,624</u>                    | <u>\$260,017</u> | <u>\$(317,177)</u> | <u>\$4,951,464</u>                     |

There was no significant construction in progress at June 30, 2000.

A summary of the proprietary fixed assets at June 30, 2000 follows:

|                                |                  |
|--------------------------------|------------------|
| Furniture and equipment        | \$ 306,155       |
| Less: accumulated depreciation | <u>(252,779)</u> |
| Net fixed assets               | <u>\$ 53,376</u> |

**NOTE 9 - CHANGES IN CONTRIBUTED CAPITAL**

Changes in contributed capital for the year ended June 30, 2000 are summarized by source as follows:

|                                    | <u>Food Service</u> |
|------------------------------------|---------------------|
| Contributed capital, July 1, 1999  | \$8,800             |
| Current contributions              | <u>500</u>          |
| Contributed capital, June 30, 2000 | <u>\$9,300</u>      |

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

**NOTE 10 - COMPENSATED ABSENCES**

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Full-time classified employees earn ten to twenty-five days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to full-time classified employees upon termination of employment. Administrators (with the exception of principals) are given ten to twenty days of vacation per year by contract. Any unused vacation days at the end of the contract are forfeited. The only exception is the Superintendent who will be paid for any unused vacation days at the end of his contract. Teachers do not earn vacation time.

**NOTE 11 - LONG-TERM OBLIGATIONS**

A. The following is a description of the District's general obligation bonds outstanding as of June 30, 2000:

|                           | <u>Interest<br/>Rate</u> | <u>Issue<br/>Date</u> | <u>Maturity<br/>Date</u> | <u>Outstanding<br/>July 1, 1999</u> | <u>Retired<br/>in 2000</u> | <u>Outstanding<br/>June 30, 2000</u> |
|---------------------------|--------------------------|-----------------------|--------------------------|-------------------------------------|----------------------------|--------------------------------------|
| Energy conservation bonds | 5.85%                    | 04/06/95              | 12/01/02                 | \$430,000                           | \$(100,000)                | \$330,000                            |
| Public library bonds      | 6.38%                    | 08/01/79              | 12/01/99                 | 15,000                              | (15,000)                   | 0                                    |
| Middle school bonds       | 5.63%                    | 03/01/79              | 12/01/01                 | <u>105,000</u>                      | <u>(35,000)</u>            | <u>70,000</u>                        |
| Total                     |                          |                       |                          | <u>\$550,000</u>                    | <u>\$(150,000)</u>         | <u>\$400,000</u>                     |

The energy conservation bonds were issued in accordance with Ohio energy conservation measures (House Bill 264) for the purpose of paying costs of installments, modifications, and remodeling school buildings to conserve energy.

The library bonds were issued in accordance with Section 3375.43, Ohio Revised Code, for the issuance and sale of bonds by a subdivision for library purposes.

The middle school bonds were issued for purposes of improvement to the middle school building.

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

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

| <u>Fiscal<br/>Year Ending</u> | <u>Principal on<br/>Bonds</u> | <u>Interest on<br/>Bonds</u> | <u>Total</u>     |
|-------------------------------|-------------------------------|------------------------------|------------------|
| 2001                          | \$140,000                     | \$19,187                     | \$159,187        |
| 2002                          | 145,000                       | 10,929                       | 155,929          |
| 2003                          | <u>115,000</u>                | <u>3,364</u>                 | <u>118,364</u>   |
| Total                         | <u>\$400,000</u>              | <u>\$33,480</u>              | <u>\$433,480</u> |

**C.** During the year ended June 30, 2000, the following changes occurred in the liabilities reported in the general long-term obligations account group. Compensated absences will be paid from the fund in which the employee was paid.

|                                  | <u>Balance<br/>July 1, 1999</u> | <u>Increase</u>  | <u>Decrease</u>    | <u>Balance<br/>June 30, 2000</u> |
|----------------------------------|---------------------------------|------------------|--------------------|----------------------------------|
| Compensated absences             | \$298,949                       | \$ 59,317        | \$ (55,835)        | \$302,431                        |
| Pension obligation payable       | 48,244                          | 41,153           | (48,244)           | 41,153                           |
| General obligation bonds payable | <u>550,000</u>                  | <u>---</u>       | <u>(150,000)</u>   | <u>400,000</u>                   |
| Total                            | <u>\$897,193</u>                | <u>\$100,470</u> | <u>\$(254,079)</u> | <u>\$743,584</u>                 |

**D. Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The effects of these debt limitations at June 30, 2000 are a voted debt margin of \$5,742,529 (including available funds of \$166,794) and an unvoted debt margin of \$66,397.

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

**NOTE 12 - RISK MANAGEMENT**

**A. Comprehensive**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2000, the District retained property insurance coverage, boiler and machinery coverage, and inland marine floaters in the blanket amount of \$22,317,000 with 100% coinsurance, replacement cost endorsement and a \$2,500 deductible. Vehicles are covered by Grange Insurance Company and hold a \$250 deductible for comprehensive and a \$500 deductible for collision. Automobile liability has a \$2,000,000 limit of liability for bodily injury per person, per occurrence, and property damage.

Nationwide Insurance Companies provide general liability coverage with a \$2,000,000 single occurrence limit and a \$5,000,000 aggregate limit. The general liability insurance carries a \$3,000 deductible.

Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in insurance from the prior year.

**B. Employee Dishonesty Bonds**

The District carries employee dishonesty bonds for the Treasurer in the amount of \$100,000 and for the Superintendent, Assistant Treasurer, and all Board Members, in the amount of \$20,000. Also an employee blanket dishonesty bond in the amount of \$5,000 is provided to cover all other employees of the District.

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

The District provides life insurance and accidental death and dismemberment insurance to all regular contracted employees through Nationwide Insurance Company in the amount of \$40,000. Administrative staff is insured as follows:

|                         |          |
|-------------------------|----------|
| Superintendent          | \$60,000 |
| Treasurer               | 40,000   |
| High School Principal   | 56,000   |
| Middle School Principal | 40,000   |
| Elementary Principal    | 48,000   |
| Day Care Coordinator    | 40,000   |

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

**NOTE 12 - RISK MANAGEMENT - (Continued)**

The District has elected to provide a comprehensive medical benefits package to the employees through a self-insured program. The District maintains a self-insured internal service fund to account for the finances of its uninsured risks of loss in this program. This package provides a comprehensive medical plan with a \$100 single and \$200 family deductible. Included in this plan is a mail-in prescription drug plan with a \$5 per prescription deductible for drugs. The plan is administered by National RX Services, Inc. located in Columbus, Ohio. A third party administrator, Berwanger Overmyer Associates, located in Columbus, Ohio, reviews all claims for the medical and prescription drug plan which are then paid by the District. The District purchases stop-loss coverage of \$40,000 per individual, and an aggregate limit of \$448,481 from Bankers Life & Casualty Company. The total monthly premium paid into the internal service fund for the medical and prescription drug plan is \$260.38 for single coverage and \$553.87 for family coverage which is paid out of the same fund that pays the salary for the employee.

The District's amounts are capped by negotiated union contracts and cannot be increased except through negotiations. The non-certified employee monthly portion of the premium is \$20 for single coverage and \$30 for family coverage which is withheld from their biweekly payroll. The certified employee monthly portion of the premium is \$30 for single coverage and/or family coverage which is withheld from their biweekly payroll. The employees are responsible for payment of all claim amounts in excess of the employer capped amounts.

The District provides dental coverage for its employees on a self-insured basis through Turner and Shepard, Inc. The total monthly premium is \$25 for single coverage and \$61.68 for family coverage. There is no employee share for dental coverage.

Life insurance is provided in full regardless of contracted hours. All employees (except bus drivers driving one AM and PM route) must be contracted for at least 6 hours a day for 180 days to be eligible to receive medical or dental insurance benefits.

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

**NOTE 12 - RISK MANAGEMENT - (Continued)**

The claims liability of \$126,666 reported in the internal service fund at June 30, 2000, 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<br/>of Year</u> | <u>Claims</u> | <u>Payments</u> | <u>End of Year</u> |
|--------------------|------------------------------|---------------|-----------------|--------------------|
| 2000               | \$ 93,427                    | \$681,651     | \$(648,412)     | \$126,666          |
| 1999               | 114,943                      | 285,383       | (306,899)       | 93,427             |

**D. Workers’ Compensation**

The District participates in the (OSBA) Workers’ Compensation Group Rating Program (GRP), an insurance purchasing pool (See Note 2.A.). 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/her designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

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. The worker’s compensation experience of the participating school districts is calculated as one and a common premium rate is applied to participants. Each participant will then either receive money from or be required to contribute to the “Equity Pooling Fund”. This “equity pooling” arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP.

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

**NOTE 13 - SEGMENT INFORMATION - ENTERPRISE FUNDS**

The District maintains three enterprise funds to account for the operations of food service, uniform school supplies and day-school/pre-school. The table below reflects, in a summarized format, the more significant financial data relating to the enterprise funds of the District as of and for the year ended June 30, 2000.

|                               | <u>Food<br/>Service</u> | <u>Uniform School<br/>Supplies</u> | <u>Day-school/<br/>Pre-school</u> | <u>Total</u> |
|-------------------------------|-------------------------|------------------------------------|-----------------------------------|--------------|
| Operating revenue             | \$ 137,184              | \$26,387                           | \$118,714                         | \$282,285    |
| Operating expenses            |                         |                                    |                                   |              |
| before depreciation           | 301,145                 | 23,092                             | 142,577                           | 466,814      |
| Depreciation                  | 3,743                   | ---                                | 1,684                             | 5,427        |
| Operating income (loss)       | (167,704)               | 3,295                              | (25,547)                          | (189,956)    |
| Operating grants              | 127,795                 | ---                                | 4,048                             | 131,843      |
| Net income (loss)             | (16,586)                | 3,295                              | (13,953)                          | (27,244)     |
| Fixed assets:                 |                         |                                    |                                   |              |
| Additions                     | 2,552                   | ---                                | 1,100                             | 3,652        |
| Net working capital           | 59,492                  | 15,828                             | 76,999                            | 152,319      |
| Total assets                  | 136,012                 | 15,828                             | 97,890                            | 249,730      |
| Long-term liabilities payable |                         |                                    |                                   |              |
| from fund revenues            | 11,359                  | ---                                | 2,189                             | 13,548       |
| Total liabilities             | 45,786                  | ---                                | 11,797                            | 57,583       |
| Total equity                  | 90,226                  | 15,828                             | 86,093                            | 192,147      |
| Encumbrances at 6/30/00       | 648                     | ---                                | 1,184                             | 1,832        |

**NOTE 14 - 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, 45 North Fourth Street, Columbus, Ohio 43215-3634, or by calling (614) 222-5853.



**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute 14 percent for 2000; 5.55 percent was the portion to fund pension obligations. The contribution rates are not determined actuarially, but are established by the School Employees Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The District's required contributions to SERS for the fiscal years ended June 30, 2000, 1999 and 1998 were \$124,236, \$118,036, and \$123,189, respectively; 43 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$71,208, representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds and the general long-term obligations account group.

**B. State Teacher 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.

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 6 percent 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 percent for members and 14 percent for employers. The District's required contributions to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$411,965, \$406,907, and \$383,747, respectively; 82 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$73,964, representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds.

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

**C. Social Security System**

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

**NOTE 15 - POSTEMPLOYMENT BENEFITS**

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

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 Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$235,408 during fiscal 2000.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$2.783 billion at June 30, 1999 (the latest information available). For the year ended June 30, 1999 (the latest information available), net health care costs paid by STRS were \$249.929 million and STRS had 95,796 eligible benefit recipients.

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

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

**NOTE 15 - POSTEMPLOYMENT BENEFITS - (Continued)**

For this fiscal year, employer contributions to fund health care benefits were 8.45 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 1999 (the latest information available), were \$126.4 million and the target level was \$189.6 million. At June 30, 1999 (the latest information available), SERS had net assets available for payment of health care benefits of \$188.0 million and SERS had approximately 51,000 participants receiving health care benefits. For the District, the amount to fund health care benefits, including surcharge, equaled \$84,466 during the 2000 fiscal year.

**NOTE 16 - BUDGETARY BASIS OF ACCOUNTING**

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

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

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

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

**NOTE 16 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

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

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

|  | Governmental Fund Types |                            |                         |                             |
|--|-------------------------|----------------------------|-------------------------|-----------------------------|
|  | <u>General</u>          | <u>Special<br/>Revenue</u> | <u>Debt<br/>Service</u> | <u>Capital<br/>Projects</u> |
| Budget basis   | \$ 114,965              | \$80,325                   | \$(12,605)              | \$(142,596)                 |
| Net adjustment for<br>revenue accruals               | 7,138                   | 4,859                      | 28,665                  | 8,509                       |
| Net adjustment for<br>expenditure accruals           | (103,659)               | (3,654)                    | ---                     | 4                           |
| Net adjustment for other<br>financing sources (uses) | 7,665                   | (7,665)                    | ---                     | ---                         |
| Encumbrances<br>(budget basis)                       | <u>22,935</u>           | <u>8,192</u>               | <u>---</u>              | <u>79,281</u>               |
| GAAP basis   | <u>\$ 49,044</u>        | <u>\$82,057</u>            | <u>\$16,060</u>         | <u>\$ (54,802)</u>          |

**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, 2000.

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

**B. Litigation**

The District is not currently a party to any legal proceedings.

**C. State School Funding Decision**

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the Ohio General Assembly to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to this District. During the fiscal year ended June 30, 2000, the District received \$2,731,497 of school foundation support for its general fund.

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

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

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

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY, OHIO**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

**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, 2000, the reserve activity was as follows:

|   | <u>Textbooks</u> | <u>Capital<br/>Acquisition</u> | <u>Budget<br/>Stabilization</u> |
|---|------------------|--------------------------------|---------------------------------|
| Set-aside cash balance as of June 30, 1999                        | \$ 0             | \$ 5,000                       | \$ 72,261                       |
| Current year set-aside requirement                                | 124,595          | 124,595                        | 41,531                          |
| Current year offsets  | ---              | (150,000)                      | ---                             |
| Qualifying disbursements  | <u>(111,239)</u> | <u>0</u>                       | <u>---</u>                      |
| Total   | <u>\$ 13,356</u> | <u>\$ (20,405)</u>             | <u>\$113,792</u>                |
| Cash balance/qualifying expenditure<br>carried forward to FY 2001 | <u>\$ 13,356</u> | <u>\$ 20,405</u>               | <u>\$113,792</u>                |

The District had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero in the capital acquisition reserve, the extra amounts may be used to reduce the set-aside requirements of future years.

A schedule of the restricted assets at June 30, 2000 follows:

|  |                  |
|--|------------------|
| Amount restricted for budget stabilization | \$113,792        |
| Amount restricted for textbooks            | <u>13,356</u>    |
| Total restricted assets                    | <u>\$127,148</u> |

## **SUPPLEMENTAL DATA**

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

| FEDERAL GRANTOR/<br>SUB GRANTOR/<br>PROGRAM TITLE   | CFDA<br>NUMBER | PASS-THROUGH<br>GRANT<br>NUMBER | (E)<br>CASH<br>FEDERAL<br>RECEIPTS | OTHER<br>FEDERAL<br>RECEIPTS | (E)<br>CASH<br>FEDERAL<br>DISBURSEMENTS | OTHER<br>FEDERAL<br>DISBURSEMENTS |
|---|----------------|---------------------------------|------------------------------------|------------------------------|---|-----------------------------------|
| <b>U. S. DEPARTMENT OF AGRICULTURE<br/>PASSED THROUGH THE<br/>OHIO DEPARTMENT OF EDUCATION:</b> |                |                                 |                                    |                              |   |                                   |
| <b>Nutrition Cluster:</b>   |                |                                 |                                    |                              |   |                                   |
| (A) (C) Food Distribution   | 10.550         | N/A                             |                                    | \$20,953                     |   | \$23,818                          |
| (A) (D) School Breakfast Program  | 10.553         | N/A                             | \$21,470                           |                              | \$21,470                                |                                   |
| (A) (D) National School Lunch Program   | 10.555         | N/A                             | 98,822                             |                              | 98,822                                  |                                   |
| <b>Total U. S. Department of Agriculture and<br/>Nutrition Cluster</b>                          |                |                                 | <u>120,292</u>                     | <u>20,953</u>                | <u>120,292</u>                          | <u>23,818</u>                     |
| <b>U. S. DEPARTMENT OF EDUCATION<br/>PASSED THROUGH THE<br/>OHIO DEPARTMENT OF EDUCATION:</b>   |                |                                 |                                    |                              |   |                                   |
| Title I - Grants to Local   | 84.010         | 045344-C1-S1 99                 | 11,496                             |                              | 24,970                                  |                                   |
| Title I - Grants to Local   | 84.010         | 045344-C1-S1 00                 | 189,967                            |                              | 172,102                                 |                                   |
| <b>Total Title I</b>  |                |                                 | <u>201,463</u>                     |                              | <u>197,072</u>                          |                                   |
| <b>Special Education Cluster:</b>   |                |                                 |                                    |                              |   |                                   |
| (B) Title VI-B - Education of the Handicapped   | 84.027         | 045344-6B-SF 99                 | 16,906                             |                              | 17,313                                  |                                   |
| (B) Title VI-B - Education of the Handicapped   | 84.027         | 045344-6B-SF 00                 | 43,336                             |                              | 33,513                                  |                                   |
| <b>Total Title VI-B - Education of the Handicapped</b>  |                |                                 | <u>60,242</u>                      |                              | <u>50,826</u>                           |                                   |
| (B) Special Education Preschool Grants  | 84.173         | 045344-PG-S1 00                 | 0                                  |                              | 861                                     |                                   |
| (B) Special Education Preschool Grants  | 84.173         | 045344-PG-S1 00                 | 4,289                              |                              | 3,429                                   |                                   |
| <b>Total Special Education Preschool Grants</b>   |                |                                 | <u>4,289</u>                       |                              | <u>4,290</u>                            |                                   |
| <b>Total Special Education Cluster</b>  |                |                                 | <u>64,531</u>                      |                              | <u>55,116</u>                           |                                   |
| Safe and Drug-Free Schools Grants   | 84.186         | 045344-DR-S1 99                 | 6,038                              |                              | 3,629                                   |                                   |
| Safe and Drug-Free Schools Grants   | 84.186         | 045344-DR-S1 00                 | 7,217                              |                              | 3,717                                   |                                   |
| <b>Total Safe and Drug-Free Schools Grant</b>   |                |                                 | <u>13,255</u>                      |                              | <u>7,346</u>                            |                                   |
| Goals 2000  | 84.276         | 045344-G2-S1 99                 | (5,110)                            |                              | 7,834                                   |                                   |
| Goals 2000  | 84.276         | 045344-G2-S1 00                 | 35,438                             |                              | 14,865                                  |                                   |
| <b>Total Goals 2000</b>   |                |                                 | <u>30,328</u>                      |                              | <u>22,699</u>                           |                                   |
| Eisenhower Professional Development Grant   | 84.281         | 045344-MS-S1 98                 | (395)                              |                              | 798                                     |                                   |
| Eisenhower Professional Development Grant   | 84.281         | 045344-MS-S1 99                 | 0                                  |                              | 1,576                                   |                                   |
| Eisenhower Professional Development Grant   | 84.281         | 045344-MS-S1 00                 | 4,803                              |                              | 618                                     |                                   |
| <b>Total Eisenhower Professional Development Grant</b>  |                |                                 | <u>4,408</u>                       |                              | <u>2,992</u>                            |                                   |
| Title VI-<br>Innovative Educational Program Strategies  | 84.298         | 045344-C2-S1 00                 | 1,594                              |                              | 0                                       |                                   |
| Classroom Size Reduction Grant  | 84.340         | 045344-CR-S1-00                 | 7,700                              |                              | 0                                       |                                   |
| <b>Total U. S. Department of Education</b>  |                |                                 | <u>323,279</u>                     |                              | <u>285,225</u>                          |                                   |
| <b>Total Federal Financial Assistance</b>   |                |                                 | <u>\$443,571</u>                   | <u>\$20,953</u>              | <u>\$405,517</u>                        | <u>\$23,818</u>                   |

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



# TRIMBLE, JULIAN & GRUBE, INC.

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## **Report on Compliance And on Internal Control Required By *Government Auditing Standards***

Board of Education  
Crestline Exempted Village School District  
511 South Thoman  
Crestline, Ohio 44827

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

### Compliance

As part of obtaining reasonable assurance about whether Crestline Exempted Village School District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2000-45344-001 and 2000-45344-002. We also noted certain immaterial instances of noncompliance that we have reported to the management of Crestline Exempted Village School District in a separate letter dated November 30, 2000.

Board of Education  
Crestline Exempted Village School District

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to the significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect Crestline Exempted Village School District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying schedule of findings as item 2000-45344-001 and 2000-45344-002.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable conditions described above are not material weaknesses. We also 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 Crestline Exempted Village School District in a separate letter dated November 30, 2000.

This report is intended for the information and use of the management and Board of Education of Crestline Exempted Village School District, Crawford County, 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.  
November 30, 2000

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

Board of Education  
Crestline Exempted Village School District  
511 South Thoman  
Crestline, Ohio 44827

### Compliance

We have audited the compliance of Crestline Exempted Village School District, Crawford County, 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 program for the year ended June 30, 2000. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance 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 the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

Board of Education  
Crestline Exempted Village School District

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

#### Internal Control Over Compliance

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

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

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

Trimble, Julian & Grube, Inc.  
November 30, 2000

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

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT**  
**CRAWFORD COUNTY**  
**JUNE 30, 2000**

**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> | Yes   |
| <i>(d)(1)(iii)</i>  | <i>Was there any reported non-compliance at the financial statement level (GAGAS)?</i>                                | Yes   |
| <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  |
| <i>(d)(1)(vii)</i>  | <i>Major Program:</i>   | Nutrition Cluster: Food Distribution, CFDA# 10.550; School Breakfast, CFDA# 10.553; National School Lunch Program, CFDA# 10.555 |
| <i>(d)(1)(viii)</i> | <i>Dollar Threshold: Type A/B Programs</i>  | Type A: >\$300,000<br>Type B: all others  |
| <i>(d)(1)(ix)</i>   | <i>Low Risk Auditee?</i>  | Yes   |

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

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT**  
**CRAWFORD COUNTY**  
**JUNE 30, 2000**

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

|                |                |
|----------------|----------------|
| Finding Number | 1999-45344-001 |
|----------------|----------------|

Ohio Revised Code Section 5705.39 in part requires that the total appropriation from each fund should not exceed total estimated revenues plus a available balances.

It was noted during the audit that the total appropriations exceeded the total estimated revenues plus available balances in the following funds:

| <u>Fund Type</u> | <u>Fund</u>             | <u>Excess Amount</u> |
|------------------|-------------------------|----------------------|
| Special Revenue  | Auxiliary Services      | \$ 20,683            |
| Special Revenue  | Textbook Subsidy        | 25                   |
| Special Revenue  | Title I                 | 12,299               |
| Debt Service     | Debt Service            | 2,548                |
| Capital Projects | SchoolNet               | 11,983               |
| Capital Projects | Tech Equity             | 7,009                |
| Capital Projects | Emergency Repair        | 46,161               |
| Enterprise       | Food Service            | 186,222              |
| Enterprise       | Uniform School Supplies | 10,095               |
| Enterprise       | Adult Education         | 77,831               |

With appropriations exceeding revenues, the District is spending monies that are not lawfully appropriated for those purposes and thus could cause a fund deficit.

We recommend that the District comply with the Ohio Revised Code and Auditor of State Bulletin 97-010 by keeping more accurate appropriations versus estimated revenue records and amending the budget prior to year end. If it is determined that estimated revenues will be greater than initially anticipated, the District should amend its official estimate in order to provide for any additional appropriations; however, appropriations should not exceed estimated revenues. In addition, the District should monitor its budgetary process on a regular basis.

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

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT**  
**CRAWFORD COUNTY**  
**JUNE 30, 2000**

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

|                |                |
|----------------|----------------|
| Finding Number | 2000-45344-002 |
|----------------|----------------|

Ohio Revised Code Section 5705.41(B) requires that no subdivision is to expend money unless it has been appropriated.

It was noted during the audit that the District had expenditures exceeding appropriations in the following:

| Fund Type<br>Fund              | Appropriations | Expenditures | Excess  |
|--------------------------------|----------------|--------------|---------|
| <u>General Fund</u>            | \$5,688,581    | \$5,691,858  | \$3,277 |
| <u>Special Revenue Funds:</u>  |                |              |         |
| District Managed Activity      | 68,848         | 70,791       | 1,943   |
| Preschool                      | 206,087        | 206,424      | 337     |
| Drug Free Schools              | 7,986          | 9,746        | 1,760   |
| Title VI-R                     | 24,697         | 25,297       | 600     |
| <u>Capital Projects Funds:</u> |                |              |         |
| Permanent Improvement          | 182,295        | 261,300      | 79,005  |
| SchoolNet                      | 13,103         | 13,258       | 155     |

With expenditures exceeding appropriations, the District is unlawfully expending monies that have not been appropriated.

We recommend that the District comply with the Ohio Revised Code and the Auditor of State Bulletin 97-010 by monitoring expenditures so they do not exceed lawful appropriations and amending the budget prior to year end. This may be achieved by monitoring the budget more closely on a continual basis.

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

None

**CRESTLINE EXEMPTED VILLAGE SCHOOL DISTRICT  
CRAWFORD COUNTY  
JUNE 30, 2000**

**SCHEDULE OF PRIOR AUDIT FINDINGS**

| <u>Finding Number</u> | <u>Finding Summary</u>               | <u>Fully Corrected?</u> | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid                                    |
|-----------------------|--------------------------------------|-------------------------|--|
| 1999-45237-001        | Ohio Revised Code Section 5705.41(B) | No                      | Partially Corrected; The District's Treasurer is making an effort to obtain additional amended appropriations throughout the year and at year end. |
| 1999-45237-002        | Ohio Revised Code Section 5705.39    | No                      | Partially Corrected; The District's Treasurer obtained numerous supplemental amended certificates of estimated resources.                          |





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**CRESTLINE EXEMPTED VILLAGE 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  
JANUARY 30, 2001**