



**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2000



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

**CRESTVIEW LOCAL SCHOOL DISTRICT
MAHONING COUNTY**

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**STATE OF OHIO
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REPORT OF INDEPENDENT ACCOUNTANTS

Crestview Local School District
Columbiana County
44100 Crestview Road #A
Columbiana, Ohio 44408

To the Board of Education:

We have audited the general-purpose financial statements of the Crestview Local School District, Columbiana County, (the District) as of and for the year ended June 30, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

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

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

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the District, taken as a whole. The accompanying schedule of federal awards expenditures 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.

Jim Petro
Auditor of State

December 22, 2000

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**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY, OHIO**

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2000**

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<u>ASSETS AND OTHER DEBITS</u>			
ASSETS:			
Equity in pooled cash and cash equivalents	\$733,443	\$221,012	\$200,727
Cash with fiscal agent			
Investments	567,441		
Receivables (net of allowances of uncollectibles):			
Property taxes - current and delinquent	1,968,986	37,285	404,175
Accounts	46,995		
Accrued interest	8,930		
Due from other governments	300		
Interfund loan receivable	792		
Advances to other funds	33,485		
Prepayments	21,358		
Materials and supplies inventory	27,492		
Restricted assets:			
Equity in pooled cash and cash equivalents	103,748		
Property, plant and equipment (net of accumulated depreciation where applicable)			
OTHER DEBITS:			
Amount available in debt service fund			
Amount to be provided for retirement of general long-term obligations			
Total assets and other debits	\$3,512,970	\$258,297	\$604,902

The notes to the general purpose financial statements are an integral part of this statement.

Capital Projects	Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Total (Memorandum Only)
	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$127,372	\$2,585	\$740,787	\$30,279			\$1,315,418
			117,705			740,787
						685,146
						2,410,446
						46,995
			748			9,678
	10,994					11,294
						792
						33,485
						21,358
	9,857					37,349
						103,748
	274,665			\$19,061,920		19,336,585
					\$208,561	208,561
					3,489,484	3,489,484
<u>\$127,372</u>	<u>\$298,101</u>	<u>\$740,787</u>	<u>\$148,732</u>	<u>\$19,061,920</u>	<u>\$3,698,045</u>	<u>\$28,451,126</u>

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**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY, OHIO**

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)
JUNE 30, 2000**

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
LIABILITIES, EQUITY AND OTHER CREDITS				
LIABILITIES:				
Accounts payable	\$36,970	\$14,358		
Accrued wages and benefits	525,823	53,127		
Compensated absences payable	24,804			
Pension obligation payable	96,994	3,064		
Interfund loan payable		696		
Advances from other funds				
Deferred revenue	1,641,487	36,562	\$396,341	
Due to students				
Claims payable				
General obligation bond payable				
Energy conservation notes payable				
Asbestos abatement loan payable				
Total liabilities	<u>2,326,078</u>	<u>107,807</u>	<u>396,341</u>	
EQUITY AND OTHER CREDITS:				
Investment in general fixed assets				
Contributed capital				
Accumulated deficit				
Retained earnings: unreserved				
Fund balances:				
Reserved for encumbrances	55,462	25,094		\$91,475
Reserved for supplies inventory	27,492			
Reserved for prepayments	21,358			
Reserved for advances	33,485			
Reserved for debt service			200,727	
Reserved for tax revenue unavailable for appropriation	29,034	723	7,834	
Reserved for budget stabilization	103,748			
Unreserved-undesignated	916,313	124,673		35,897
Total equity and other credits	<u>1,186,892</u>	<u>150,490</u>	<u>208,561</u>	<u>127,372</u>
Total liabilities, equity and other credits	<u>\$3,512,970</u>	<u>\$258,297</u>	<u>\$604,902</u>	<u>\$127,372</u>

The notes to the general purpose financial statements are an integral part of this statement.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Total (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
		\$204			\$51,532
\$20,343					599,293
10,306				\$378,091	413,201
9,927				45,095	155,080
96					792
33,485					33,485
7,514		748			2,082,652
		25,521			25,521
	\$32,939				32,939
				3,120,000	3,120,000
				136,044	136,044
				18,815	18,815
<u>81,671</u>	<u>32,939</u>	<u>26,473</u>		<u>3,698,045</u>	<u>6,669,354</u>
			\$19,061,920		19,061,920
256,807					256,807
(40,377)					(40,377)
	707,848				707,848
					172,351
					27,492
					21,358
					33,485
					200,727
					37,591
					103,748
		121,939			1,198,822
<u>216,430</u>	<u>707,848</u>	<u>122,259</u>	<u>19,061,920</u>		<u>21,781,772</u>
<u>\$298,101</u>	<u>\$740,787</u>	<u>\$148,732</u>	<u>\$19,061,920</u>	<u>\$3,698,045</u>	<u>\$28,451,126</u>

CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2000**

	Governmental Fund Types				Fiduciary Fund Type	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Revenues:						
From local sources:						
Taxes	\$2,393,333	\$34,549	\$374,500			\$2,802,382
Tuition.	15,717					15,717
Earnings on investments	95,990				\$5,516	101,506
Other local revenues	70,727	151,063		\$1,742	6,814	230,346
Other revenue.		500				500
Intergovernmental - State	4,047,088	93,049	39,752	105,335		4,285,224
Intergovernmental - Federal		416,804				416,804
Total revenue.	<u>6,622,855</u>	<u>695,965</u>	<u>414,252</u>	<u>107,077</u>	<u>12,330</u>	<u>7,852,479</u>
Expenditures:						
Current:						
Instruction:						
Regular	2,971,422	108,688			4,892	3,085,002
Special	310,710	342,892				653,602
Vocational	54,573					54,573
Other	28,220				200	28,420
Support services:						
Pupil	314,064	83,193		64,049	2,616	463,922
Instructional staff.	287,874	47,035		30,667		365,576
Board of Education.	76,110					76,110
Administration	752,850	6,191				759,041
Fiscal	203,045	719	7,794			211,558
Business	9,335					9,335
Operations and maintenance.	739,865	13,741				753,606
Pupil transportation.	443,545					443,545
Central	16,079				415	16,494
Community services.		1,336				1,336
Extracurricular activities	149,312	70,943				220,255
Facilities acquisition and construction	82,254			125,204		207,458
Debt service:						
Principal retirement	17,656		170,653			188,309
Interest and fiscal charges.	594		191,553			192,147
Total expenditures	<u>6,457,508</u>	<u>674,738</u>	<u>370,000</u>	<u>219,920</u>	<u>8,123</u>	<u>7,730,289</u>
Excess (deficiency) of revenues over (under) expenditures	<u>165,347</u>	<u>21,227</u>	<u>44,252</u>	<u>(112,843)</u>	<u>4,207</u>	<u>122,190</u>
Other financing sources (uses):						
Proceeds from sale of assets.	712			153,024		153,736
Operating transfers in				19,880		19,880
Operating transfers out.	(19,880)					(19,880)
Total other financing sources (uses).	<u>(19,168)</u>			<u>172,904</u>		<u>153,736</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses).	<u>146,179</u>	<u>21,227</u>	<u>44,252</u>	<u>60,061</u>	<u>4,207</u>	<u>275,926</u>
Fund balances, July 1	1,041,021	129,263	164,309	67,311	118,052	1,519,956
Decrease in reserve for inventory	(308)					(308)
Fund balances, June 30	<u>\$1,186,892</u>	<u>\$150,490</u>	<u>\$208,561</u>	<u>\$127,372</u>	<u>\$122,259</u>	<u>\$1,795,574</u>

The notes to the general purpose financial statements are an integral part of this statement.

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CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA 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 YEAR ENDED JUNE 30, 2000**

	General			Special Revenue		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
From local sources:						
Taxes.....	\$2,408,022	\$2,403,798	(\$4,224)	\$33,200	\$34,466	\$1,266
Tuition.....	13,611	14,261	650			
Earnings on investments.....	85,792	89,611	3,819			
Other local revenues.....	17,736	18,388	652	47,780	151,037	103,257
Other revenue				153	500	347
Intergovernmental - State.....	3,958,820	4,137,693	178,873	29,444	93,049	63,605
Intergovernmental - Federal.....				113,589	358,979	245,390
Total revenues.....	<u>6,483,981</u>	<u>6,663,751</u>	<u>179,770</u>	<u>224,166</u>	<u>638,031</u>	<u>413,865</u>
Expenditures:						
Current:						
Instruction:						
Regular.....	3,498,618	3,057,926	440,692	133,065	93,400	39,665
Special.....	317,206	312,632	4,574	442,212	301,019	141,193
Vocational.....	61,063	56,285	4,778			
Other.....	28,221	28,221				
Support services:						
Pupil.....	351,348	323,391	27,957	158,457	85,621	72,836
Instructional staff.....	322,389	298,414	23,975	73,535	49,030	24,505
Board of Education.....	78,583	76,863	1,720			
Administration.....	796,799	771,011	25,788	7,076	5,784	1,292
Fiscal.....	214,234	204,851	9,383	725	719	6
Business.....	9,335	9,335				
Operations and maintenance.....	855,161	786,999	68,162	50,211	24,683	25,528
Pupil transportation.....	555,554	461,867	93,687			
Central.....	233,010	33,001	200,009	1,050		1,050
Community services.....				1,559	1,436	123
Extracurricular activities.....	157,244	148,463	8,781	106,760	84,865	21,895
Facilities services.....	282,180	88,076	194,104			
Debt service:						
Principal retirement.....						
Interest and fiscal charges.....						
Total expenditures.....	<u>7,760,945</u>	<u>6,657,335</u>	<u>1,103,610</u>	<u>974,650</u>	<u>646,557</u>	<u>328,093</u>
Excess (deficiency) of revenues over (under) expenditures.....	(1,276,964)	6,416	1,283,380	(750,484)	(8,526)	741,958
Other financing sources (uses):						
Refund of prior year's expenditures.....	22,685	23,742	1,057		25	25
Advances in.....	25,573	26,580	1,007	229	696	467
Advances (out).....	(15,097)	(792)	14,305			
Transfers in)						
Transfers (out)	(19,880)	(19,880)				
Proceeds from sale of fixed assets.....	413	712	299			
Total other financing sources (uses).....	<u>13,694</u>	<u>30,362</u>	<u>16,668</u>	<u>229</u>	<u>721</u>	<u>492</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)...	(1,263,270)	36,778	1,300,048	(750,255)	(7,805)	742,450
Fund balances, July 1.....	1,124,522	1,124,522		124,308	124,308	
Prior year encumbrances appropriated.....	151,929	151,929		65,057	65,057	
Fund balances, June 30.....	<u>\$13,181</u>	<u>\$1,313,229</u>	<u>\$1,300,048</u>	<u>(\$560,890)</u>	<u>\$181,560</u>	<u>\$742,450</u>

The notes to the general purpose financial statements are an integral part of this statement.

Debt Service			Capital Projects			Total (Memorandum only)		
Budget Revised	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)
\$359,000	\$373,609	\$14,609				\$2,800,222	\$2,811,873	\$11,651
						13,611	14,261	650
						85,792	89,611	3,819
			\$906	\$1,439	\$533	66,422	170,864	104,442
						153	500	347
35,000	39,752	4,752	66,814	105,335	38,521	4,090,078	4,375,829	285,751
						113,589	358,979	245,390
394,000	413,361	19,361	67,720	106,774	39,054	7,169,867	7,821,917	652,050
			150,000	91,475	58,525	3,781,683	3,242,801	538,882
						759,418	613,651	145,767
						61,063	56,285	4,778
						28,221	28,221	
			73,002	64,049	8,953	582,807	473,061	109,746
			30,667	30,667		426,591	378,111	48,480
						78,583	76,863	1,720
						803,875	776,795	27,080
8,000	7,794	206				222,959	213,364	9,595
						9,335	9,335	
						905,372	811,682	93,690
						555,554	461,867	93,687
						234,060	33,001	201,059
						1,559	1,436	123
						264,004	233,328	30,676
			250,281	186,325	63,956	532,461	274,401	258,060
256,715	170,653	86,062				256,715	170,653	86,062
286,651	191,553	95,098				286,651	191,553	95,098
551,366	370,000	181,366	503,950	372,516	131,434	9,790,911	8,046,408	1,744,503
(157,366)	43,361	200,727	(436,230)	(265,742)	170,488	(2,621,044)	(224,491)	2,396,553
			195	303	108	22,880	24,070	1,190
						25,802	27,276	1,474
			(26,488)	(26,488)		(41,585)	(27,280)	14,305
			12,610	19,880	7,270	12,610	19,880	7,270
						(19,880)	(19,880)	
			97,078	153,024	55,946	97,491	153,736	56,245
			83,395	146,719	63,324	97,318	177,802	80,484
(157,366)	43,361	200,727	(352,835)	(119,023)	233,812	(2,523,726)	(46,689)	2,477,037
157,366	157,366		49,561	49,561		1,455,757	1,455,757	
			105,359	105,359		322,345	322,345	
	\$200,727	\$200,727	(\$197,915)	\$35,897	\$233,812	(\$745,624)	\$1,731,413	\$2,477,037

CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY, OHIO

COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS\ (ACCUMULATED DEFICIT)
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2000

	<u>Proprietary Fund Types</u>		Total (Memorandum Only)
	<u>Enterprise</u>	<u>Internal Service</u>	
Operating revenues:			
Sales/charges for services.	\$193,035	\$457,118	\$650,153
Other operating revenues		193	193
	<hr/>	<hr/>	<hr/>
Total operating revenues.	193,035	457,311	650,346
Operating expenses:			
Personal services	162,073	80,615	242,688
Contract services	9,695		9,695
Materials and supplies.	122,926		122,926
Depreciation.	17,071		17,071
Claims expense		483,014	483,014
Other operating expense.	97		97
	<hr/>	<hr/>	<hr/>
Total operating expenses.	311,862	563,629	875,491
Operating loss.	<hr/> (118,827)	<hr/> (106,318)	<hr/> (225,145)
Nonoperating revenues (expenses):			
Operating grants.	91,469		91,469
Loss on disposal of assets.	(64,795)		
Federal commodities	15,203		15,203
Interest revenue	114	43,775	43,889
	<hr/>	<hr/>	<hr/>
Total nonoperating revenues.	41,991	43,775	85,766
Net loss.	(76,836)	(62,543)	(139,379)
Retained earnings, restated at July 1.	<hr/> 36,459	<hr/> 770,391	<hr/> 806,850
Retained earnings (accumulated deficit) at June 30	<hr/> (\$40,377)	<hr/> \$707,848	<hr/> \$667,471

The notes to the general purpose financial statements are an integral part of this statement.

CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY, OHIO

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2000

	Proprietary Fund Types		Total (Memorandum Only)
	Enterprise	Internal Service	
Cash flows from operating activities:			
Cash received from sales/service charges	\$193,153	\$457,118	\$650,271
Cash received from other operations.		193	193
Cash payments for personal services	(168,587)	(80,615)	(249,202)
Cash payments for contract services.	(9,695)		(9,695)
Cash payments supplies and materials.	(108,075)		(108,075)
Cash payments for claims		(499,650)	(499,650)
Cash payments for other expenses.	(97)		(97)
Net cash used in operating activities	<u>(93,301)</u>	<u>(122,954)</u>	<u>(216,255)</u>
Cash flows from noncapital financing activities:			
Cash received from operating grants	96,127		96,127
Cash received from interfund loans	5		5
Net cash provided by noncapital financing activities	<u>96,132</u>		<u>96,132</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets.	(2,543)		(2,543)
Net cash used in capital and related financing activities	<u>(2,543)</u>		<u>(2,543)</u>
Cash flows from investing activities:			
Interest received.	114	43,775	43,889
Net cash provided by investing activities	<u>114</u>	<u>43,775</u>	<u>43,889</u>
Net increase (decrease) in cash and cash equivalents	402	(79,179)	(78,777)
Cash and cash equivalents at beginning of year	2,183	819,966	822,149
Cash and cash equivalents at end of year.	<u>\$2,585</u>	<u>\$740,787</u>	<u>\$743,372</u>
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	(\$118,827)	(\$106,318)	(\$225,145)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	17,071		17,071
Federal donated commodities	15,203		15,203
Changes in assets and liabilities:			
Decrease in supplies inventory	530		530
Decrease in accounts receivable	118		118
Decrease in accrued wages & benefits	(4,494)		(4,494)
Decrease in compensated absences payable	(944)		(944)
Decrease in pension obligation payable	(1,076)		(1,076)
Decrease in claims payable.		(16,636)	(16,636)
Decrease in deferred revenue.	(882)		(882)
Net cash used in operating activities	<u>(\$93,301)</u>	<u>(\$122,954)</u>	<u>(\$216,255)</u>

The notes to the general purpose financial statements are an integral part of this statement.

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**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

1. DESCRIPTION OF THE ENTITY

The Crestview Local School District (the "District") is organized under Section 3311.03 of the Ohio Revised Code as a local school district. The District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The District provides educational services as authorized by state statute and/or federal guidelines.

The District currently ranks as the 459th largest in terms of total enrollment among the 660 public and community school districts in the State of Ohio. The District is staffed by 49 non-certificated employees and 81 certificated full-time teaching personnel who provide services to 1,205 students and other community members.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The general purpose financial statements (GPFS) 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'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, effective for financial statements for periods beginning after December 15, 1992. A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District. Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization or the District is obligated for the debt of the organization.

Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes for the organization. The financial statements of the reporting entity include only those of the District (the primary government). The District has no component units. The following organizations are described due to their relationship to the District.

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

JOINT VENTURE WITHOUT EQUITY INTEREST

Ohio Mid-Eastern Regional Education Service Agency (OME-RESA)

OME-RESA is a joint venture among 49 member school districts. The joint venture was formed for the purpose of applying modern technology (with the aid of computers and other electronic equipment) to the administrative and instructional functions among member districts. Each of the governments of these schools supports OME-RESA based upon a per pupil charge, dependent upon the software package utilized. In the event of dissolution of the organization, all current members will share in net obligations or asset liquidations in a ratio proportionate to their last twelve months' financial contributions. OME-RESA is governed by a Board of Directors consisting of superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the Board. In accordance with GASB Statement No. 14, the Center does not have an equity interest in OME-RESA because the residual interest in the net resources of a joint venture upon dissolution is not equivalent to an equity interest. Financial information is available from the Treasurer for the Jefferson County Educational Service Center (fiscal agent), at 2023 Sunset Blvd., Steubenville, Ohio 43952.

JOINTLY GOVERNED ORGANIZATION

Columbiana County Career Center

The Columbiana County Career Center is a jointly governed organization, which provides for the vocational and special education needs of the students of eight participating school districts. The Board of Education members are appointed by the local boards of education from among one of its elected members. The Career Center Board of Education exercises total control over its operations, including budgeting, appropriating, contracting, and the designation of management. All revenues are generated from tax levies, State funding, and fees. Financial information is available from the Columbiana County Career Center, Treasurer's Office, 9364 State Route 45, Lisbon, Ohio 44432.

The District also participates in a public entity shared-risk pool, discussed in Note 11.

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:

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 in accordance with applicable Ohio statute.

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

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

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

PROPRIETARY FUNDS

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

Enterprise Funds - Enterprise Funds are used to account for operations that are (a) 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 or services provided by one department or agency to other departments or agencies of the District, or to other governmental units, on a cost-reimbursement basis.

FIDUCIARY FUNDS

Trust and Agency Funds - These funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include an Expendable Trust Fund and an Agency Fund. The Expendable Trust Fund is accounted for in essentially the same manner as Governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations, or have a measurement focus. Agency funds are reported on a cash basis, with note disclosure (See Note 3) regarding items which, in other fund types, would be subject to accrual.

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ACCOUNT GROUPS

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

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

General Long-Term Obligations Account Group - This group of accounts is established to account for all long-term obligations of the District, except those accounted for in the Proprietary funds.

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.

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

The modified accrual basis of accounting is followed for Governmental and Expendable Trust funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period, which for the District is sixty days after the June 30 year-end. Revenues accrued at the end of the year include interest, tuition, grants and entitlements (to the extent they are intended to finance the current fiscal year), and accounts (student fees and rent). 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) and amounts available as advances on future tax settlements are recognized as revenue at year-end. 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.

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

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenditures (decreases in net financial resources) are recognized in the period in which the fund liability is incurred, with the following exceptions: general long-term obligation principal and interest are reported only when due; and the costs of accumulated unpaid vacation and sick leave are reported as expenditures in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in Governmental funds.

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 on the operating statement as an expense, with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenues.

D. Budgets

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. The specific timetable for fiscal year 2000 is as follows:

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The 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 Columbiana 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.

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
5. All funds, other than Agency funds, are legally required to be budgeted and appropriated. Short-term interfund loans are not required to be budgeted since they represent a temporary cash flow resource, and are intended to be repaid.
6. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions must be approved by the Board of Education.
7. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All departments/functions and funds completed the year within the amount of their legally authorized cash basis appropriation.
8. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal 2000 in the following amounts:

	<u>Increase/(Decrease)</u>
General	\$(125,394)
Special Revenue	107,285
Capital Projects	227,833
Enterprise	14,767
Internal Service	<u>34,628</u>
 Total Net Increase	 <u>\$ 259,119</u>

9. 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, function and/or object level.

Encumbrance accounting is utilized with District funds in the normal course of operations, for purchase orders and contract related expenditures. An encumbrance is a reserve on the available spending authority due to commitment for a future expenditure and does not represent a liability. For Governmental Fund Types, encumbrances outstanding at year-end appear as a reserve to the fund balance on a GAAP basis (Exhibit 1) and as the equivalent of expenditures on a non-GAAP budgetary basis (Exhibit 3) in order to demonstrate legal compliance. Note 16 provides a reconciliation of the budgetary and GAAP basis of accounting. Encumbrances for Enterprise funds are disclosed in Note 12 to the financial statements.

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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" and "Investments" (both unrestricted and restricted) on the combined balance sheet.

During fiscal year 2000, investments were limited to certificates of deposit. Investments in nonparticipating investment contracts, such as certificates of deposits, are reported at cost.

Under existing Ohio statutes, all investment earnings are assigned to the General fund unless statutorily required to be credited to a specific fund. The following funds were credited with more interest revenue than would have been received based upon their share of the District's investments:

	<u>Interest Actually Received</u>	<u>Interest Based upon Share of Investments</u>	<u>Interest Assigned from Other Funds</u>
General Fund	\$95,990	\$69,835	\$26,155
<u>Internal Service Fund</u>			
Employee Benefits Self-Insurance	43,775	124	43,651

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

F. 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 are valued at the lower of cost (first-in/first-out method) or market and expensed when used rather than when purchased.

G. Prepays

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 prepayments are not available to finance future Governmental fund expenditures, the fund balance is reserved by an amount equal to the carrying value of the asset.

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets and Depreciation

1. General Fixed Assets Account Group

General fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year in the General Fixed Assets Account Group. Donated fixed assets are recorded at their fair market values as of the date donated. The District follows the policy of not capitalizing assets with a cost of less than \$100 and a useful life of less than five years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life is not capitalized, nor is interest on debt issued to construct or acquire general fixed assets. No depreciation is recognized for assets in the General Fixed Assets Account Group. The District has not included infrastructure in the General Fixed Asset 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. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets.

Depreciation has been provided, where appropriate, on a straight-line basis over the following estimated useful lives.

Asset	Life (years)
Furniture, Fixtures and Minor Equipment	5-20

I. Intergovernmental Revenues

In Governmental funds, intergovernmental revenues such as 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. Grants for Proprietary fund operations (excluding commodities) are recognized as non-operating revenues in the accounting period in which they are 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

Non-Reimbursable Grants

Special Revenue Funds
Education Management Information Systems
School Net Professional Development
Disadvantaged Pupil Impact Aid
Title I

Non-Reimbursable Grants - (cont'd)

Capital Projects Funds
School Net
Technology Equity
Power-Up
Video Distance Learn
Emergency Building Repair

Reimbursable Grants

General Fund
Driver Education Reimbursement

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Drug-Free Grant	
Teacher Development	<u>Special Revenue Funds</u>
Family and School Partnership	Telecommunications (E-rate)
Classroom Facilities Maintenance	
Title VI	<u>Proprietary Funds</u>
Title VI-R	National School Lunch Program
Ohio Reads	National School Breakfast Program
Virtual Middle School	Government Donated Commodities
Continuous Improvement	

Grants and entitlements amounted to approximately 56 percent of the District's operating revenue during the 2000 fiscal year.

J. Compensated Absences

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

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

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

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

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

In general, Governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions that will be paid from Governmental funds are reported as a liability in the General Long-Term Obligations Account Group to the extent that they will not be paid with current available expendable financial resources. Payments made more than sixty days after year-end are generally considered not to have been made with current available financial resources. Bonds, capital leases and long-term loans are reported as a liability of the General Long-Term Obligations Account Group until due.

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

L. Interfund Transactions

During the course of normal operations, the District has numerous transactions between funds. The most significant 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, with the exception of Agency funds, which do not report transfers of resources as operating transfers.
2. Reimbursements from one fund to another are treated as expenditures/expenses in the reimbursing fund and a reduction in expenditures/expenses in the reimbursed fund.
3. Short-term interfund loans made pursuant to Board of Education Resolution are reflected as "interfund loans receivable or payable." Such interfund loans are repaid in the following fiscal year.
4. Quasi-external transactions are similar to the purchase of goods or services from a vendor; i.e., the fund which provides a service records revenue, and the fund which receives that service records an expenditure/expense.
5. Residual equity transfers are non-recurring or non-routine permanent transfers of equity, generally made when a fund is closed.
6. 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.

An analysis of the District's interfund transactions for fiscal year 2000 is presented in Note 5.

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Fund Equity

Contributed capital is recorded in Proprietary funds which received capital grants or contributions from other funds. 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, materials and supplies inventory, prepaid assets, debt service, advances, budget stabilization, and tax revenue unavailable for appropriation. The reserve for property taxes represents taxes recognized as revenue under GAAP, but not available for appropriation under State statute. The unreserved portions of fund equity reflected for the Governmental funds are available for use within the specific purposes of those funds.

N. Statutory Reserves

The District is required by State law to set aside certain (cash-basis) General fund revenue amounts, as defined by Statute, into various reserves. During the fiscal year ended June 30, 2000, the reserve activity was as follows:

	<u>Instructional Materials</u>	<u>Capital Maintenance</u>	<u>Budget Stabilization</u>
Restated Balance, 7/1/99	\$ 0	\$ 0	\$ 82,564
Required Set-Aside	155,622	155,622	21,184
Offset Credits		(191,157)	
Qualifying Expenditures	<u>(167,357)</u>	<u>(66,105)</u>	<u> </u>
Balance at 6/30/00	<u>\$ (11,735)</u>	<u>\$ (101,640)</u>	<u>\$103,748</u>

Although the District had offsets and qualifying disbursements during the year that reduced the instructional materials and capital maintenance set-aside amounts below zero, these extra amounts may not be used to reduce the set-aside requirements of future years. These negative amounts are therefore not presented as being carried forward to the next fiscal year.

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

Amount restricted for budget stabilization	<u>\$103,748</u>
Total restricted assets	<u>\$103,748</u>

O. Contributed Capital

Contributed capital reported in the Enterprise funds represents resources provided from other funds, other governments, or private sources that is not subject to repayment. These assets are recorded at 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. Contributed capital did not change during fiscal 2000.

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Restricted Assets

Restricted assets in the General fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction and/or for statutorily-specified purposes. A fund balance reserve has also been established. See Note 2. N. for statutory reserves.

Q. Estimates

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

R. Statement of Cash Flows

In September 1989, GASB issued Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds in Governmental Entities That Use Proprietary Fund Accounting. The District has presented (Exhibit 5) a statement of cash flows for its Proprietary funds. For purposes of the statement of cash flows, the District considers cash equivalents to include all short term investments (maturity of 90 days or less from date of purchase).

S. Financial Reporting for Proprietary and Similar Fund Types

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

T. Total Columns on General Purpose Financial Statements

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

3. ACCOUNTABILITY AND COMPLIANCE

A. Prior Period Adjustments

At July 1, 1999, the District has presented a restatement of fixed assets. The effect of these adjustments to fixed assets and retained earnings as previously reported is as follows:

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

(Continued)

3. ACCOUNTABILITY AND COMPLIANCE (Continued)

	<u>Amounts Previously Reported</u> <u>June 30, 1999</u>	<u>Adjustment</u>	<u>Restated Amounts</u> <u>July 1, 1999</u>
General Fixed Assets Account Group	\$19,008,699	\$159,416	\$19,168,115
<u>Enterprise Funds</u>			
Property, plant and equipment	287,215	100,005	387,220
Accumulated depreciation	39,900	(6,668)	33,232
Retained earnings	(70,214)	106,673	36,459

The District has presented a restatement of General Long-Term Obligations Account Group to properly reflect the beginning balance of its energy conservation notes payable at July 1, 1999.

	<u>Balance as Previously Reported</u> <u>June 30, 1999</u>	<u>Adjustment</u>	<u>Restated Balance</u> <u>July 1, 1999</u>
General Long-Term Obligations Account Group	\$3,896,744	\$(1,530)	\$3,895,214

The District has presented a restatement of restricted equity in pooled cash due to qualifying disbursements that were not included in the calculation for statutory reserves in the prior year.

	<u>Restricted Equity</u> <u>in Pooled Cash & Equivalents</u> <u>as Previously Reported</u> <u>June 30, 1999</u>	<u>Adjustment</u>	<u>Restated Restricted</u> <u>Equity in Pooled Cash</u> <u>and Cash Equivalents</u> <u>July 1, 1999</u>
General Fund	\$216,841	\$(134,277)	\$82,564

B. Deficit Fund Balances/Retained Earnings

Fund balances/retained earnings at June 30, 2000 included the following individual fund deficits:

	<u>Deficit Balance</u>
<u>Special Revenue Fund</u>	
Title I	\$(27,453)
<u>Capital Project Fund</u>	
School Net	(9)
<u>Enterprise Funds</u>	
Adult Education	(99)
Food Service	(40,278)

These GAAP deficits will be funded by anticipated future intergovernmental revenues or other subsidies not recognized and recorded at June 30. The General fund provides transfers for deficit balances; however, transfers are made when cash is needed rather than when accruals occur.

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

(Continued)

3. ACCOUNTABILITY AND COMPLIANCE - (Continued)

C. Agency Fund

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

<u>LIABILITIES</u>	
Accounts payable	\$729

D. Budgetary Non-Compliance

The following funds had appropriations in excess of the final Amended Official Certificate of Estimated Resources, contrary to Section 5705.39, Ohio Revised Code:

<u>Fund Type</u>	<u>Excess</u>
Special Revenue	\$560,891
Capital Projects	197,915
Enterprise	14,767
Internal Service	34,628

4. EQUITY IN POOLED CASH AND INVESTMENTS

State 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.

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;

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

(Continued)

4. EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt 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 \$100 in undeposited cash on hand which is included on the combined balance sheet as part of "Equity in Pooled Cash and Cash Equivalents", but is not included in the total amount of deposits reported below.

Cash with Fiscal Agent: At year end, \$740,787 was on deposit with the District's fiscal agent for its self-insurance reserves and included in the total amount of deposits reported below; however, this amount is not part of the internal cash pool reported on the combined balance sheet as "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.

**CRESTVIEW LOCAL SCHOOL DISTRICT
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000**

(Continued)

4. EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

Deposits: At year-end, the carrying amount of the District's deposits was \$2,844,999 and the bank balance was \$2,991,775. These amounts include \$1,635,146 in nonnegotiable certificates of deposit. Of the bank balance:

1. \$300,000 was covered by federal depository insurance; and
2. \$2,691,775 was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non compliance with federal requirements could potentially subject the District held to a successful claim by the FDIC.

Investments: Investments are categorized to give an indication of the level of risk assumed by the District at year end. Category 1 includes investments that are insured or registered or securities held by the District. 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 no investments (as defined by GASB Statement No. 3) at June 30, 2000.

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9 entitled, Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting.

A reconciliation between the classifications of cash and cash equivalents and investments on the combined 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>Equity in Pooled Cash and Cash Equivalents</u>	<u>Investments</u>
GASB Statement No. 9	\$2,159,953	\$ 685,146
Investments of the cash management pool:		
Certificates of deposit	685,146	(685,146)
Cash on hand	<u>(100)</u>	<u> </u>
GASB Statement No. 3	<u>\$2,844,999</u>	<u>\$ 0</u>

5. INTERFUND TRANSACTIONS

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

	<u>Interfund Loans Receivable</u>	<u>Interfund Loans (Payable)</u>
General Fund	\$792	
<u>Special Revenue Fund</u>		
Miscellaneous Federal Grant		\$(696)
<u>Enterprise Funds</u>		
Adult Education	<u> </u>	<u>(96)</u>
Total	<u>\$792</u>	<u>\$(792)</u>

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

(Continued)

5. INTERFUND TRANSACTIONS - (Continued)

B. The following is a reconciliation of the District's long-term advances to and from other funds at June 30, 2000:

	<u>Advances to Other Funds</u>	<u>Advances (from) Other Funds</u>
General Fund	\$33,485	
<u>Enterprise Funds</u>		
Food Services	_____	\$(33,485)
Totals	<u>\$33,485</u>	<u>\$(33,485)</u>

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 April 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at 35% of appraised market value.

Public utility property taxes are assessed on tangible personal property, as well as land and improvements. Real property is assessed at 35% of market value and personal property is assessed at 100% of market value, except for the personal property of rural electric companies, which is assessed 50% of market value, 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 first \$10,000 of assessed value is exempt from taxation. The District receives a state subsidy in lieu of tax revenue which would otherwise have been collected.

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

	<u>1999 Second-Half Collections</u>		<u>2000 First-Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$60,640,010	80.92	\$61,439,230	81.80
Public Utility Personal	6,838,320	9.12	6,131,900	8.16
Tangible Personal Property	<u>7,463,500</u>	<u>9.96</u>	<u>7,534,620</u>	<u>10.04</u>
	<u>\$74,941,830</u>	<u>100.00</u>	<u>\$75,105,750</u>	<u>100.00</u>

Tax rate per \$1,000 of
assessed valuation:

Operations	\$32.70	\$32.70
Debt Service	5.92	5.92

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

(Continued)

6. PROPERTY TAXES - (Continued)

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

The Columbiana County Treasurer collects property tax on behalf of the District. The County Auditor periodically remits 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.

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.

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. Available tax advances at June 30, 2000 totaled \$29,034 in the General fund; \$7,834 in the Debt Service fund; and \$723 in the Special Revenue fund.

7. RECEIVABLES

Receivables at June 30, 2000, consisted of taxes, accrued interest, accounts (rent, billings for user charged services, and student fees), intergovernmental (to the extent they relate to the current fiscal year), short-term interfund loans and long-term interfund loans. Intergovernmental receivables have been reported as "due from other governments" on the combined balance sheet. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of Federal funds.

A summary of the principal items of receivables follows:

	Amounts
<u>General Fund</u>	
Taxes - current and delinquent	\$1,968,986
Accrued interest	8,930
Accounts	46,995
 <u>Special Revenue Fund</u>	
Taxes - current and delinquent	37,285
 <u>Debt Service Fund</u>	
Taxes - current and delinquent	404,175
 <u>Enterprise Fund</u>	
Due from other governments	10,994

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

(Continued)

8. FIXED ASSETS

A summary of the changes in the General Fixed Assets Account Group during fiscal year 2000 follows:

<u>Asset Category</u>	<u>Restated Balance 07/01/99</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/00</u>
Land and improvements	\$ 250,000			\$ 250,000
Building and improvements	15,288,585	\$190,655	\$(236,919)	15,242,321
Furniture, fixtures and equipment	2,876,886	220,181	(355,784)	2,741,283
Vehicles	<u>752,644</u>	<u>109,444</u>	<u>(33,772)</u>	<u>828,316</u>
Totals	<u>\$19,168,115</u>	<u>\$520,280</u>	<u>\$(626,475)</u>	<u>\$19,061,920</u>

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

Furniture and equipment	\$321,447
Less accumulated depreciation	<u>(46,782)</u>
Net fixed assets	<u>\$274,665</u>

9. CAPITALIZED LEASES - LESSEE DISCLOSURE

In prior years, the District has entered into capitalized leases for the acquisition of computer equipment. This lease meets the criteria of a capital lease as defined by FASB Statement No. 13, Accounting for Leases, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital lease payments have been reclassified and are reflected as debt service expenditures in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances for all Governmental Fund Types and Expendable Trust Fund. These expenditures are reflected as program/function expenditures on a budgetary basis. General fixed assets acquired by lease have been capitalized in the General Fixed Assets Account Group in an amount of \$77,349, which is equal to the present value of the future minimum lease payments as of the date of their inception. A corresponding liability was recorded in the General Long-Term Obligations Account Group. Principal payments in the 2000 fiscal year totaled \$17,656, which retired the District's capital lease obligation. The District exercised its bargain purchase option, and took title to the equipment. This amount is reflected as debt service principal in the General fund.

10. LONG-TERM OBLIGATIONS

- A.** The general obligation bond outstanding, issued to provide funds for the acquisition and construction of equipment and facilities is a general obligation of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for in the General Long-Term Obligations Account Group. Payments of principal and interest relating to these liabilities are recorded as expenditures in the Debt Service fund. The source of payment is derived from a current 5.92 mill bonded debt tax levy.

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

(Continued)

10. LONG-TERM OBLIGATIONS- (Continued)

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

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Balance 7/1/99</u>	<u>Retired during Fiscal 2000</u>	<u>Balance 06/30/00</u>
Facilities Improvement	5.74%	4/13/93	12/01/15	<u>\$3,780,000</u>	<u>\$3,245,000</u>	<u>\$(125,000)</u>	<u>\$3,120,000</u>
Total				<u>\$3,780,000</u>	<u>\$3,245,000</u>	<u>\$(125,000)</u>	<u>\$3,120,000</u>

- B.** In prior fiscal years, the District issued unvoted long-term "energy conservation" notes, under authority of H.B. 264. Energy conservation notes outstanding are general obligations of the District, for which the District's full faith and credit are pledged for repayment. Accordingly, these notes are accounted for in the General Long-Term Obligations Account Group. Payments of principal and interest relating to these notes are recorded as expenditures in the Debt Service fund; however, unlike general obligation bonds, Ohio statute allows for the issuance of these notes without voter approval, and the subsequent repayment of the notes from operating revenues.

The following is a description of the District's energy conservation notes outstanding as of June 30, 2000:

	<u>Interest Rates</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Restated Balance July 1, 1999</u>	<u>Retired in Fiscal 2000</u>	<u>Balance June 30, 2000</u>
School Energy Conservation Note	9.45%	5/12/90	5/12/00	\$100,000	\$ 11,580	\$(11,580)	\$ 0
School Energy Conservation Note	8.75%	9/20/91	9/20/01	81,360	24,093	(10,593)	13,500
School Energy Conservation Note	4.55%	2/22/99	2/22/06	<u>146,996</u>	<u>141,024</u>	<u>(18,480)</u>	<u>122,544</u>
Total				<u>\$328,356</u>	<u>\$176,697</u>	<u>\$(40,653)</u>	<u>\$136,044</u>

- C.** In fiscal 1991, the District received a loan from the U.S. Environmental Protection Agency for an asbestos abatement project. The loan is interest free as long as the District remains current on repayment. This loan is a general obligation of the District for which the full faith and credit of the District is pledged for repayment. The outstanding balance of the loan is reported in the General Long-Term Obligations Account Group. Payments are recorded as expenditures of the Debt Service fund, from current operating revenue. The following schedule describes the loan outstanding at June 30, 2000:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Outstanding 07/01/1999</u>	<u>Retired in 2000</u>	<u>Outstanding 06/30/2000</u>
Asbestos Abatement	None	2/02/90	5/30/04	<u>\$68,815</u>	<u>\$23,815</u>	<u>\$(5,000)</u>	<u>\$18,815</u>

**CRESTVIEW LOCAL SCHOOL DISTRICT
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000**

(Continued)

10. LONG-TERM OBLIGATIONS- (Continued)

D. Principal and interest requirements to retire general obligation bonds, energy conservation notes, and the asbestos loan, outstanding at June 30, 2000, are as follows:

Fiscal Year Ending June 30,	General Obligation Bonds	Energy Conservation Notes	Asbestos Loan	Total
2001	\$ 315,200	\$ 36,920	\$ 5,000	\$ 357,120
2002	316,500	27,688	5,000	349,188
2003	326,900	24,611	5,000	356,511
2004	326,580	24,611	3,815	355,006
2005	325,945	24,612		350,557
2006 - 2010	1,529,010	16,371		1,545,381
2011 - 2015	1,262,325			1,262,325
2016 - 2020	226,270			226,270
Total	4,628,730	154,813	18,815	4,802,358
Less: Interest	(1,508,730)	(18,769)	0	(1,527,499)
Total	<u>\$ 3,120,000</u>	<u>\$136,044</u>	<u>\$18,815</u>	<u>\$ 3,274,859</u>

E. During the year ended June 30, 2000, the following changes occurred in liabilities reported in the General Long-Term Obligations Account Group. Compensated absences and the pension benefit obligation will ultimately be paid from the fund from which the employee is paid.

	Restated Balance 07/01/99	Additions	Deductions	Balance 06/30/00
General obligation bond payable	\$3,245,000		\$(125,000)	\$3,120,000
Energy conservation notes payable	176,697		(40,653)	136,044
Asbestos abatement loan payable	23,815		(5,000)	18,815
Pension obligation 41,723	\$45,095	(41,723)	45,095	
Capital lease payable 17,656		(17,656)	0	
Compensated absences	390,323	51,804	(64,036)	378,091
Total	<u>\$3,895,214</u>	<u>\$96,899</u>	<u>\$(294,068)</u>	<u>\$3,698,045</u>

F. 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 code further provides that unvoted indebtedness for energy conservation measures shall not exceed 9/10 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 \$3,723,079 (including available funds of \$208,561), an unvoted debt margin of \$75,106, and an unvoted energy conservation debt margin of \$539,908.

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

(Continued)

11. 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 has contracted with the following insurance companies to provide coverage in the following amounts:

<u>Coverage</u>	<u>Limits of Coverage</u>	<u>Deductible</u>
<u>Nationwide Insurance Company</u>		
General liability:		
Each occurrence	\$ 1,000,000	\$ 0
Aggregate	5,000,000	0
Umbrella liability:		
Each occurrence	1,000,000	10,000
Aggregate	3,000,000	10,000
<u>Nationwide Insurance Company</u>		
Fleet:		
Comprehensive	1,000,000	0
Collision	1,000,000	100
<u>Cincinnati Insurance Company</u>		
Building and contents	21,646,395	500

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in amounts of insurance coverage from fiscal 1999.

B. Health and Dental Insurance

Medical/surgical and dental insurance is offered to employees through a self-insurance Internal Service fund. The District is a member of a claims servicing pool, consisting of several school districts within Columbiana County. Monthly premiums are paid to the fiscal agent, who in turn pays the claims on the District's behalf. The claims liability of \$32,939 reported in the Internal Service fund at June 30, 2000, is based on an estimate provided by the third party administrators 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 current year and past two fiscal years are as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Claims Incurred</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
1998	\$85,092	\$391,165	\$(376,938)	\$99,319
1999	99,319	299,191	(348,935)	49,575
2000	49,575	421,401	(438,037)	32,939

**CRESTVIEW LOCAL SCHOOL DISTRICT
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000**

(Continued)

11. RISK MANAGEMENT - (Continued)

Post employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 14. As such, no funding provisions are required by the District.

C. Worker's Compensation

OSBA WORKER'S COMPENSATION GROUP RATING

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

12. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The District maintains two Enterprise funds to account for the operations of Food Service and Adult Education. The following table reflects the more significant financial data relating to the Enterprise funds of the District as of and for the fiscal year ended June 30, 2000.

	<u>Food Service</u>	<u>Adult Education</u>	<u>Total Enterprise Funds</u>
Operating Revenue	\$ 192,160	\$875	\$ 193,035
Depreciation Expense	17,071		17,071
Operating Loss	(118,809)	(18)	(118,827)
Non-operating Revenue:			
Donated federal commodities	15,203		15,203
Operating grants	91,469		91,469
Net Loss	(76,818)	(18)	(76,836)
Net Working Capital	(13,322)	(99)	(13,421)
Fixed Assets:			
Additions	2,543		2,543
Total Assets	298,101		298,101
Long-Term Liabilities			
Payable from Fund Revenues	44,814		44,814
Contributed Capital	256,807		256,807
Total Fund Equity	216,529	(99)	216,430
Encumbrances Outstanding at June 30, 2000	864		864

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

(Continued)

13. 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. SERS provides basic retirement and disability benefits, cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is established 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.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate, which was 14 percent for 2000; 5.55 percent was the portion to fund pension obligations. The contribution rates of plan members and employers are established and may be amended by the School Employees Retirement Board, up to maximum amounts allowed by State statute. The adequacy of the contribution rates is determined annually. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999 and 1998 were \$116,719, \$114,428, and \$95,645, respectively. Of the contribution requirement, 69 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$36,544, 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 Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes GPFS and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered salary; 6 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$480,872, \$458,936, and \$439,672, respectively. Of the contribution requirement, 83 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$81,580, 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.

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

(Continued)

13. DEFINED BENEFIT PENSION PLANS - (Continued)

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS or the STRS have an option to choose Social Security or the SERS/STRS. As of June 30, 2000, three members of the Board of Education have elected social security. The District's liability is 6.2 percent of wages paid.

14. 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. Through June 30, 2000, the Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$274,874 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.

For this fiscal year, employer contributions to fund health care benefits were 8.45 percent of covered payroll, an increase from 6.30 percent for fiscal year 1999. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay has been established at \$12,400. 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 \$81,202 during the 2000 fiscal year.

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

(Continued)

15. OTHER EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn 2 weeks of vacation per year after 1 year of service, 3 weeks of vacation per year after 10 years of service, and 4 weeks of vacation per year after 18 years of service. The 3 principals and superintendent do not earn vacation, their contracts are for a specific number of days and the rest of the year are non-contract days. The high school principal is contracted for 230 days, the middle school principal for 223 days, the elementary principal for 208 days, and the superintendent for 233 days. The treasurer earns 2 weeks of vacation after 1 year of service, 3 weeks of vacation after 10 years of service, and 4 weeks of vacation after 20 years. Accumulated, unused vacation time is not paid to classified employees and administrators upon termination of employment. Certified employees do not earn vacation.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-quarter days per month. Sick leave may be accumulated up to a maximum of fifteen days per year for all personnel. The total lifetime maximum sick leave accumulation for personnel is 235 days for certified employees and 220 days for classified employees. Upon retirement, payment is made for one-fourth of the accrued, but unused, sick leave balance to a maximum of 47 days for certified employees and 46 days for classified employees.

16. BUDGETARY BASIS OF ACCOUNTING

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

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

- (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).

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

(Continued)

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

	<u>General</u>	<u>Governmental Fund Types Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Budget Basis	\$ 36,778	\$ (7,805)	\$43,361	\$(119,023)
Net Adjustment for Revenue Accruals	(40,896)	57,934	891	303
Net Adjustment For Expenditure Accruals	108,424	(67,633)	0	61,121
Net Adjustment for Other Financing Sources/(Uses)	(49,530)	(721)	0	26,185
Adjustment for Encumbrances	<u>91,403</u>	<u>39,452</u>	<u>0</u>	<u>91,475</u>
GAAP Basis	<u>\$146,179</u>	<u>\$21,227</u>	<u>\$44,252</u>	<u>\$ 60,061</u>

17. CONTINGENCIES

1. 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.

2. Litigation

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

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 \$3,975,295 of school foundation support for its General fund.

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY**

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

(Continued)

17. CONTINGENCIES - (Continued)

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.

18. SUBSEQUENT EVENTS

The District employed Ms. Charlene Mercure as Treasurer of Schools, effective July 1, 2000.

CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED June 30, 2000

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program		10.550		\$14,321		\$15,203
National School Breakfast Program		10.553	\$15,563		\$15,563	
National School Lunch Program		10.555	74,779		74,779	
Total U.S. Department of Agriculture - Nutrition Cluster			<u>90,342</u>	<u>14,321</u>	<u>90,342</u>	<u>15,203</u>
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
Grants to Local Educational Agencies (ESEA Title I)	C1-S1-99	84.010	39,801		103,391	
	C1-S1-00		208,747		187,717	
	Carryover 99		<u>24,112</u>		<u>24,112</u>	
Total Title 1			272,660		315,220	
Innovative Educational Program Strategies	C2-S1-00	84.298	3,428		2,489	
Drug-Free Schools Grant	DR-S1-00	84.186	4,912		3,826	
Goals 2000 - Systemic Improvement	G2-S8-00	84.276	45,400		33,387	
Tech Literacy Challenge Fund	TF-VM-99	84.318	27,000		26,752	
Class Size Reduction - TitleVI-R	CR-S1-00	84.340	21,587		20,472	
Telecomm (E-Rate)		88.001	<u>13,992</u>			
Total Department of Education			<u>661,639</u>		<u>717,366</u>	
Totals			<u><u>\$751,981</u></u>	<u><u>\$14,321</u></u>	<u><u>\$807,708</u></u>	<u><u>\$15,203</u></u>

The accompanying notes to this schedule are an integral part of this schedule.

**CRESTVIEW LOCAL SCHOOL DISTRICT
COLUMBIANA COUNTY
FISCAL YEAR ENDED June 30, 2000**

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B--FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2000, the District had no significant food commodities in inventory.



STATE OF OHIO
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REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Crestview Local School District
Columbiana County
44100 Crestview Road #A
Columbiana, Ohio 44408

To the Board of Education:

We have audited the financial statements of the Crestview Local School District, Columbiana County, (the District) as of and for the year ended June 30, 2000, and have issued our report thereon dated December 22, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2000-11215-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 22, 2000.

Internal Control Over Financial Reporting

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

Crestview Local School District
Columbiana County
Report of Independent Accountants on Compliance and on
Internal Control Required by Government Auditing Standards
Page 2

This report is intended for the information and use of the audit committee, management, the Board of Education, 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.

Jim Petro
Auditor of State

December 22, 2000



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Crestview Local School District
Columbiana County
44100 Crestview Road #A
Columbiana, Ohio 44408

To the Board of Education:

Compliance

We have audited the compliance of the Crestview Local School District, Columbiana County, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2000. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of 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.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs 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 the audit committee, management, the Board of Education, 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.

Jim Petro
Auditor of State

December 22, 2000

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2000

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Nutrition Cluster CFDA# 10.55X Goals 2000 CFDA# 84.276
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

FINDING NUMBER 2000-11215-001

Noncompliance Citation

Ohio Rev. Code Section 5705.39 states the total appropriation from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

**Finding Number 2000-11215-001
(Continued)**

The Treasurer appropriated amounts in excess of total estimated revenue in the following funds:

<u>Fund</u>	<u>Violation Amount</u>
Other Grant Fund	(\$ 500)
Athletics Fund	(\$ 35,076)
Teacher Development	(\$ 5,824)
Schoolnet Professional Development	(\$ 4,000)
Family & School Partnership Planning	(\$ 60,748)
Title I	(\$ 333,310)
Title VI	(\$ 5,714)
Drug Free Grant	(\$ 4,912)
Miscellaneous Federal Grant Fund	(\$ 116,092)
Permanent Improvement Fund	(\$ 150,000)
School Net Fund	(\$ 52,353)
Tech Equity Fund	(\$ 9,326)
Power Up Fund	(\$ 37,283)

This leads to an increased risk that disbursements within the above named funds could exceed the amounts actually available.

We recommend that the Treasurer review the amounts certified thoroughly, adjusting the amended certificate and, subsequently the appropriations, to ensure appropriations do not exceed the amounts on the amended certificate of estimated resources and actual revenue received.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



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CRESTVIEW LOCAL SCHOOL DISTRICT

COLUMBIANA 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
FEBRUARY 20, 2001**