



**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

West Carrollton City School District
Montgomery County
430 East Pease Avenue
West Carrollton, Ohio 45449

To the Board of Education:

We have audited the accompanying financial statements of West Carrollton City School District, Montgomery County, (the District) as of and for the year ended June 30, 2001. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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.

We were unable to obtain documentation supporting the financial activities of the Extracurricular Activities function, nor were we able to satisfy ourselves as to those financial activities by other auditing procedures. Those financial activities are included in the Special Revenue and Agency fund types and represent 9 percent and 100 percent of the revenues, respectively, of Special Revenue and Agency fund types.

Ohio Administrative Code Section 117-2-03 (B) requires the District to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. However, as discussed in Note 2, the District prepares its financial statements on the basis of accounting formerly prescribed or permitted for school districts by the Auditor of State, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, fund equities, and disclosures that, while material cannot be determined at this time.

In our opinion, except for the effects of the matters discussed in the third paragraph, the financial statements referred to above present fairly, in all material respects, the combined cash, investments, and combined fund cash balances of the West Carrollton City School District, Montgomery County, as of June 30, 2001, and its combined cash receipts and disbursements and its combined budgeted and actual receipts and actual disbursements and encumbrances for the year then ended on the basis of accounting describe in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2001 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.

We performed our audit to form an opinion on the financial statements of the District, taken as a whole. The accompanying schedule of federal awards receipts and expenditures is presented for 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 financial statements. We subjected this information to the auditing procedures applied in the audit of the financial statements and, in our opinion, such information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Jim Petro
Auditor of State

December 19, 2001

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**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2001**

| | Governmental Fund Types | | | | Fiduciary | Totals (Memorandum Only) |
|--|-------------------------|--------------------|---------------------|---------------------|-----------------------------|--------------------------------|
| | General | Special Revenue | Debt Service | Capital Projects | Fund Expendable Trust | |
| REVENUES: | | | | | | |
| Taxes | \$ 14,434,830 | | \$ 811,608 | \$ 899,694 | | \$ 16,146,132 |
| Tuition | 435,012 | | | | | 435,012 |
| Transportation Fees | 65,502 | | | | | 65,502 |
| Earnings on Investments | 226,583 | | 97 | | | 226,680 |
| Extracurricular Activities | 27,335 | 128,229 | | | | 155,564 |
| Classroom Materials and Fees | 1,355 | 102,266 | | | 2,890 | 106,511 |
| Miscellaneous Receipts | 159,672 | 156,731 | | | | 316,403 |
| Total Local Receipts | 15,350,289 | 387,226 | 811,705 | 899,694 | 2,890 | 17,451,804 |
| Unrestricted Grants-In-Aid | 10,378,354 | | 87,151 | 92,070 | | 10,557,575 |
| Restricted Grants-In-Aid | 85,347 | 410,003 | | 134,209 | | 629,559 |
| Total State Receipts | 10,463,701 | 410,003 | 87,151 | 226,279 | | 11,187,134 |
| Federal - Restricted Grants-In-Aid | | 420,160 | | | | 420,160 |
| Total Receipts | 25,813,990 | 1,217,389 | 898,856 | 1,125,973 | 2,890 | 29,059,098 |
| DISBURSEMENTS: | | | | | | |
| Current: | | | | | | |
| Instruction: | | | | | | |
| Regular | 12,034,574 | 604,788 | | 78,769 | 20,347 | 12,738,478 |
| Special | 2,758,480 | 174,061 | | | | 2,932,541 |
| Vocational | 430,608 | | | | | 430,608 |
| Other | 156,112 | | | | | 156,112 |
| Total Instruction | 15,379,774 | 778,849 | | 78,769 | 20,347 | 16,257,739 |
| Support Services: | | | | | | |
| Pupil | 1,383,153 | 175,416 | | | | 1,558,569 |
| Instructional Staff | 835,369 | 185,893 | | | | 1,021,262 |
| Board of Education | 25,179 | | | | | 25,179 |
| Administration | 2,240,726 | 4,500 | | | | 2,245,226 |
| Fiscal | 526,163 | | 11,813 | 13,052 | | 551,028 |
| Business | 334,283 | | | | | 334,283 |
| Operations and Maintenance | 2,085,832 | | | 181,785 | | 2,267,617 |
| Pupil Transportation | 1,457,578 | | | 162,164 | | 1,619,742 |
| Central | 52,354 | 3,812 | | | | 56,166 |
| Total Support Services | 8,940,637 | 369,621 | 11,813 | 357,001 | | 9,679,072 |
| Operation of Non-Instructional Service: | | | | | | |
| Community Services | 59,210 | 584 | | | | 59,794 |
| Extracurricular Activities: | | | | | | |
| Academic & Subject Oriented | 56,523 | 8,262 | | | | 64,785 |
| Sports Oriented | 233,357 | 87,367 | | | | 320,724 |
| Co-Curricular Activities | 6,871 | | | | | 6,871 |
| Total Extracurricular Activities | 296,751 | 95,629 | | | | 392,380 |
| Facilities Acquisition & Construction Services: | | | | | | |
| Site Acquisition | | | | 660,611 | | 660,611 |
| Site Improvement | 103,653 | | | 13,475 | | 117,128 |
| Building Improvement | 60 | | | | | 60 |
| Total Facilities Acquisition & Construction | 103,713 | | | 674,086 | | 777,799 |
| Debt Service: | | | | | | |
| Principal Payment | 276,941 | | 470,000 | | | 746,941 |
| Interest Payment | 95,439 | | 121,451 | | | 216,890 |
| Total Repayment of Debt | 372,380 | | 591,451 | | | 963,831 |
| Total Expenditures | 25,152,465 | 1,244,683 | 603,264 | 1,109,856 | 20,347 | 28,130,615 |
| Excess of Revenues Over (Under) Expenditures | 661,525 | (27,294) | 295,592 | 16,117 | (17,457) | 928,483 |
| Other Financing Sources (Uses): | | | | | | |
| Sale of Fixed Assets | 1,700 | | | | | 1,700 |
| Transfers-In | 17,257 | 151,466 | | | | 168,723 |
| Transfers-Out | (30,013) | (138,710) | | | | (168,723) |
| Refund of Prior Year Expenditures | 19,533 | 3,199 | | | | 22,732 |
| Refund of Prior Year Receipts | | (18,918) | | | | (18,918) |
| Total Other Financing Sources (Uses) | 8,477 | (2,963) | | | | 5,514 |
| Excess of Revenues and Other Sources Over/ (Under)Expenditures and Other Uses | 670,002 | (30,257) | 295,592 | 16,117 | (17,457) | 933,997 |
| Beginning Fund Balance, July 1, 2000 | 449,365 | 292,979 | 1,170,404 | 353,764 | 71,856 | 2,338,368 |
| Ending Fund Balance, June 30, 2001 | \$ 1,119,367 | \$ 262,722 | \$ 1,465,996 | \$ 369,881 | \$ 54,399 | \$ 3,272,365 |

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

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES
ALL PROPRIETARY FUND TYPES AND SIMILAR FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2001**

| | Proprietary Fund Types | | Fiduciary Fund Types | | Totals (Memorandum Only) |
|---|------------------------|---------------------|-----------------------------|------------------|--------------------------------|
| | Enterprise | Internal Service | Non- Expendable Trust | Agency | |
| OPERATING RECEIPTS: | | | | | |
| Charges for Services | | \$ 175,175 | | | \$ 175,175 |
| Earnings on Investments | | | 6,451 | | 6,451 |
| Food Services | 665,110 | | | | 665,110 |
| Extracurricular Activities | | | | \$80,493 | 80,493 |
| Classroom Materials and Fees | 6,548 | | | | 6,548 |
| Total Operating Receipts | 671,658 | 175,175 | 6,451 | 80,493 | 933,777 |
| OPERATING EXPENSES: | | | | | |
| Personal Services - Salaries | 347,263 | | | | 347,263 |
| Employees Retirement & Insurance | 79,748 | | | | 79,748 |
| Purchased Services | 6,631 | 196,422 | | 31,629 | 234,682 |
| Supplies and Materials | 355,941 | | | 55,245 | 411,186 |
| Capital Outlay | 52,188 | | | | 52,188 |
| Other Objects | | 180 | 4,000 | | 4,180 |
| Total Operating Expenses | 841,771 | 196,602 | 4,000 | 86,874 | 1,129,247 |
| Excess of Operating Revenues Over/(Under) Operating Expenses | (170,113) | (21,427) | 2,451 | (6,381) | (195,470) |
| NON-OPERATING RECEIPTS | | | | | |
| Earnings on Investments | | 568 | | | 568 |
| Sale of Fixed Assets | 400 | | | | 400 |
| State Sources | 9,887 | | | | 9,887 |
| Federal Sources | 162,508 | | | | 162,508 |
| Total Non-Operating Revenues | 172,795 | 568 | | | 173,363 |
| Excess of Receipts Over/(Under) Expenses | 2,682 | (20,859) | 2,451 | (6,381) | (22,107) |
| Beginning Fund Balance, July 1, 2000 | 134,131 | 68,165 | 91,279 | 72,352 | 365,927 |
| Ending Fund Balance, June 30, 2001 | \$ 136,813 | \$ 47,306 | \$ 93,730 | \$ 65,971 | \$ 343,820 |

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

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF DISBURSEMENTS AND
ENCUMBRANCES COMPARED WITH EXPENDITURE AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2001**

| Fund Types/Funds | Prior Year Carryover Appropriations | FY 2001 Appropriations | Total |
|--|--|-----------------------------------|----------------------|
| Governmental | | | |
| General Fund | \$ 349,958 | \$ 25,130,890 | \$ 25,480,848 |
| Special Revenue Funds | 75,422 | 1,569,207 | 1,644,629 |
| Debt Service Funds | | 603,264 | 603,264 |
| Capital Project Funds | 120,483 | 1,050,711 | 1,171,194 |
| Proprietary | | | |
| Enterprise Funds | 40,567 | 835,489 | 876,056 |
| Internal Service Funds | | 211,162 | 211,162 |
| Fiduciary | | | |
| Expendable Trust Funds | 1,719 | 24,084 | 25,803 |
| Non-Expendable Trust Funds | | 4,000 | 4,000 |
| Agency Fund | 1,906 | 94,243 | 96,149 |
| Total All Funds (Memorandum Only) | \$ 590,055 | \$ 29,523,050 | \$ 30,113,105 |

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

| Actual FY 2001 Disbursements | Encumbrances Outstanding at June 30, 2001 | Total | Variance Favorable (Unfavorable) |
|---|--|----------------------|---|
| \$ 25,182,478 | \$ 298,370 | \$ 25,480,848 | \$ |
| 1,402,311 | 120,109 | 1,522,420 | 122,209 |
| 603,264 | | 603,264 | |
| 1,109,856 | 61,338 | 1,171,194 | |
| 841,771 | 34,286 | 876,057 | (1) |
| 196,602 | | 196,602 | 14,560 |
| 20,347 | 5,457 | 25,804 | (1) |
| 4,000 | | 4,000 | |
| 88,874 | 7,275 | 96,149 | |
| \$ 29,449,503 | \$ 526,835 | \$ 29,976,338 | \$ 136,767 |

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF RECEIPTS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2001**

| Fund Types/Funds | Budget | Actual | Variance Favorable (Unfavorable) |
|--------------------------------|----------------------|----------------------|--|
| Governmental | | | |
| General | \$ 25,816,136 | \$ 25,852,480 | \$ 36,344 |
| Special Revenue Funds | 1,372,139 | 1,372,054 | (85) |
| Debt Service Funds | 898,855 | 898,856 | 1 |
| Capital Project Funds | 1,125,973 | 1,125,973 | |
| Proprietary | | | |
| Enterprise Funds | 844,454 | 844,453 | (1) |
| Internal Service Funds | 175,743 | 175,743 | |
| Fiduciary | | | |
| Expendable Trust Fund | 41,685 | 2,890 | (38,795) |
| Non-Expendable Trust Fund | 4,000 | 6,451 | 2,451 |
| Agency | 82,493 | 80,493 | (2,000) |
| Total (Memorandum Only) | \$ 30,361,478 | \$ 30,359,393 | \$ (2,085) |

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

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The West Carrollton City School District, Montgomery County, (the School District) is a political body incorporated and established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The West Carrollton City School District is a city district as defined by Ohio Rev. Code Section 3311.02. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District. Average daily membership (ADM) for FY 2001 was 3,768. The District employed 291 certificated employees and 157 non-certificated employees.

Management believes the financial statements included in this report represent all of the funds of the District over which the Board of Education has the ability to exercise direct operating control.

A. Reporting Entity:

The reporting entity is comprised of the primary District and other organizations that are included to insure that the financial statements of the School District are not misleading. The primary District consists of all funds and departments that are not legally separated from the School District. For West Carrollton City School District, this includes general operations, food service, and student related activities of the School District.

West Carrollton City School District does not have any component units.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Although required by the Ohio Administrative Code Section 117-2-03 (B) to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America, the District chooses to prepare its financial statements on the basis of accounting formerly prescribed or permitted by the Auditor of State. This basis of accounting is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as formerly prescribed or permitted by the Auditor of State.

The more significant of the School District's accounting policies are described below.

A. Basis of Presentation - Fund Accounting

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

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash receipts and disbursements and other financial resources and uses which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations.

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Governmental Fund Types:

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

General Fund

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

Special Revenue Funds

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

Debt Service Fund

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

Capital Projects Funds

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

2. Proprietary Fund Types:

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

Enterprise Funds

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

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Internal Service Fund

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

3. Fiduciary Fund Types:

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The School District's fiduciary funds include expendable trust, nonexpendable trust, and agency funds.

B. Basis of Accounting

The District prepares its financial statements on a basis of accounting formerly permitted by the Auditor of State. Consequently, receipts are recognized when received rather than when earned, and disbursements are recognized when paid rather than when the obligation is incurred. A general fixed asset group and long-term debt group of accounts are not recorded on the financial statements by the District under the basis of accounting used. By virtue of Ohio Law, the District is required to maintain the encumbrance method of accounting and to make appropriations.

C. Budgetary Process

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

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

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

1. Tax Budget:

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

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

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Estimated Resources:

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the commission's certificate of estimated resources which states the projected receipts of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in receipts are identified by the School District Treasurer. The amounts reported in the combined statement of receipts - budget and actual reflect the amounts in the final amended certificate issued during fiscal year 2001.

3. Appropriations:

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

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts, set forth in the most recent certificate of estimated resources.

The budget figures which appear in the combined statement of disbursements and encumbrances compared with expenditure authority, represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

4. Encumbrances:

The District is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts, and other commitments for the expenditures of funds are recorded in order to reserve the portion of the applicable appropriation.

5. Lapsing of Appropriations:

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

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Statutory Reserves

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2001, the reserve activity was as follows:

| | <u>Textbooks</u> | <u>Capital Acquisition</u> | <u>Budget Stabilization</u> | <u>Totals</u> |
|---|------------------|--------------------------------|---------------------------------|--------------------|
| Set-aside Cash Balance as of June 30, 2000 | | | 201,570 | 201,570 |
| Current Year Set-aside Requirement | 574,756 | 574,756 | | 1,149,512 |
| Current Year Offsets | | (991,764) | | (991,764) |
| Current Year Qualifying Expenditures | (582,539) | (1,017,585) | | (1,600,124) |
| Qualifying Carry Over from FY 2000 | (1,636) | | | (1,636) |
| Transfer to Unreserved/Undesignated | | | <u>(103,201)</u> | <u>(103,201)</u> |
| Total | <u>(9,419)</u> | <u>(1,434,593)</u> | <u>98,369</u> | <u>(1,345,643)</u> |
| Cash Balance Carried Forward to FY 2001 | | | <u>98,369</u> | <u>98,369</u> |
| Qualifying Carry-Over Amounts to FY 2002 | <u>(9,419)</u> | <u>(1,813,972)</u> | | <u>(1,823,391)</u> |

Total qualifying expenditures for textbook activity during the year were \$582,539 and total offsets were \$1,636, which exceeded the required set-aside and reserve balance. Total offset credits and total expenditures for capital activity during the year were \$991,764 and \$1,017,585, respectively, which exceeded the required set-asides and reserve balances. The District had qualifying carry-over amounts to carry forward to fiscal year June 30, 2002 of \$9,419 for Textbooks reserve and \$1,813,972 for Capital Acquisition reserve.

Senate Bill 345 provides that the budget set-aside may, at the Board's direction, be returned to the District's General Fund or be retained in the Reserve to offset a future budget deficit. The District transferred \$103,201 to the general fund, unreserved/undesignated, the remaining \$98,369 was retained in reserve.

D. Pooled Cash and Investments

To improve cash management, the School District maintains a cash and investment pool used by all funds. Monies for all funds, including proprietary funds, are maintained in this account or temporarily used to purchase short term investments. Individual fund integrity is maintained through School District records. Each fund type's portion of this pool is displayed on the "Combined Statement of Cash, Investments and Fund Cash Balances". During fiscal year 2001, investments were limited to repurchase agreements and a money market mutual fund. All investments of the School District had a maturity of two years or less. Investment earnings are allocated as authorized by State statute.

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Property, Plant, and Equipment

Fixed assets acquired or constructed for general government service are recorded as disbursements. Depreciation is not recorded for these fixed assets.

F. Total Columns on Financial Statements

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

3. DEPOSITS AND INVESTMENTS

State statutes classify monies held by the School District into three categories.

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

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

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

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

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

- a. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
- b. 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;

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

3. DEPOSITS AND INVESTMENTS (Continued)

- c. 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;
- d. Bonds and other obligations of the State of Ohio;
- e. 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;
- f. The State Treasurer's investment pool (STAR Ohio);
- g. 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 moneys available for investment at any one time; and,
- h. Under limited circumstances, corporate debt interests 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 School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

During fiscal year 2001, the School District's investments were limited to overnight repurchase agreements. During the fiscal year, all investments of the School District had a maturity of two years or less.

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

Deposits: At fiscal year end, the carrying amount of the District's deposits was (\$459,526) and the bank balance was \$235,414. The bank balance included a payroll account balance of \$150,430. Of the bank balance \$184,984 was covered by federal depository insurance and \$50,430 was covered by collateral held by third party trustees pursuant to Ohio Rev. Code Section 135.181, in specific institutions.

Investments: The District's investments are categorized on the following page to give an indication of the level of risk assumed by the entity at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the District. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer'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 broker or dealer or by its trust department but not in the District's name.

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

3. DEPOSITS AND INVESTMENTS (Continued)

| | Category 3 | Carrying Value | Market Value |
|----------------------|-----------------------|---------------------------|-------------------------|
| Repurchase Agreement | \$ 265,000 | \$ 265,000 | \$ 271,266 |
| Money Market Fund | 3,810,711 | 3,810,711 | 3,810,711 |
| Total | <u>\$ 4,075,711</u> | <u>\$ 4,075,711</u> | <u>4,081,977</u> |

4. PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due December 16. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by December 16.

The assessed values upon which fiscal year 2001 taxes were collected are:

| | 2000 Second- Half Collections | | 2001 First- Half Collections | |
|---|--|----------------|---|----------------|
| | Amount | Percent | Amount | Percent |
| Agricultural/Residential and Other Real Estate | \$ 351,248,790 | 77.4% | \$ 350,549,940 | 77.6% |
| Public Utility | 14,453,240 | 3.2% | 13,546,910 | 3.0% |
| Tangible Personal Property | <u>88,436,107</u> | <u>19.5%</u> | <u>87,428,885</u> | <u>19.4%</u> |
| Total Assessed Value | <u>\$ 424,791,541</u> | <u>100%</u> | <u>\$ 451,525,735</u> | <u>100%</u> |
| Tax rate per \$1,000 of Assessed valuation | \$ 55.84 | | \$ 58.73 | |

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

5. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2001, the School District contracted with Nationwide Mutual Fire Insurance Company for property, commercial crime, mechanical, electrical and pressure equipment coverage, commercial inland coverage, and fleet insurance, Nationwide Mutual Insurance Company for liability and boiler and machinery insurance. Coverages provided by insurance companies are as follows:

| | |
|--|------------------|
| Building and Contents-replacement cost (\$ 1,000 deductible) | \$ 70,469,800 |
| Inland marine Coverage (\$ 100 deductible) | 404,694 |
| Boiler and Machinery (\$ 1,000 deductible) | 18,904,600 |
| Crime Insurance | 10,000 to 20,000 |
| Automobile Liability (\$ 1,000 deductible) | 1,000,000 |
| Uninsured Motorists (\$ 250 deductible) | 1,000,000 |
| Hired-Excess | 1,000,000 |
| Non-Owned-Primary | 1,000,000 |
| General Liability | |
| Per occurrence | 1,000,000 |
| Total per year | 5,000,000 |

Settled claims have not exceeded this commercial coverage in any of the past three years.

6. DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2001, 4.2 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2000, 5.5 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$177,656, \$242,092, and \$536,027, respectively; 96 percent has been contributed for fiscal year 2001 and 100 percent for fiscal years 2000 and 1999.

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

6. DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

For the fiscal year ended June 30, 2001, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. For fiscal year 2000, the portion used to fund pension obligations was 6.0 percent. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$1,312,580, \$826,755 and \$1,836,756,, respectively; 5.91 percent has been contributed for fiscal year 2001 and 100 percent for fiscal years 2000 and 1999.

7. POSTEMPLOYMENT BENEFITS

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired 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 on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2001, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$621,748 for fiscal year 2001.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2000, (the latest information available) the balance in the Fund was \$3,419 million. For the year ended June 30, 2000, net health care costs paid by STRS were \$283,137,000 and STRS had 99,011 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to 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.

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

7. POSTEMPLOYMENT BENEFITS (Continued)

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2001, employer contributions to fund health care benefits were 9.80 percent of covered payroll, an increase of 1.3 percent from fiscal year 2000. 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 2001, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2001 fiscal year equaled \$414,532.

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 the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2000 (the latest information available), were \$140,696,340 and the target level was \$211 million. At June 30, 2000, SERS had net assets available for payment of health care benefits of \$252.3 million. SERS has approximately 50,000 participants currently receiving health care benefits.

8. EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated to a maximum of 300 days for classified personnel and 435 days for certificated personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 30 days for classified employees and 120 days for certificated employees plus one-fourth time of his/her accumulated sick leave in excess of two hundred (200) days up to a maximum of four hundred thirty-five (435) days.

The liability related to unpaid compensated absences is not reflected on the financial statements under the basis of accounting utilized by the School District.

B. Life Insurance

The School District provides life insurance to all employees through Anthem Life Insurance Company of Indiana.

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

9. LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2001 were as follows:

| | Principal Outstanding 6/30/00 | Additions | Deductions | Principal Outstanding 6/30/01 |
|--|--|--------------------|-------------------------|--|
| Junior High Remodeling - 1977 5.25% | \$370,000 | \$0 | \$185,000 | \$185,000 |
| School Energy Conservation Note 1991 - 7.05% | 85,000 | 0 | 85,000 | 0 |
| School Energy Conservation Note 1995 - 5.05% | 917,301 | 0 | 167,252 | 750,049 |
| School Energy Conservation Note 1998 - 4.75% | 746,352 | 0 | 37,474 | 708,879 |
| School Improvement Refunding Bonds - 2000, 5.60% thru 6.25% | 1,795,000 | 0 | 200,000 | 1,595,000 |
| BankOne Computer Lease - 1999, 5.32% | <u>228,687</u> | <u>0</u> | <u>72,215</u> | <u>156,472</u> |
| Total Long-Term Obligations | <u>\$4,142,340</u> | <u>\$ 0</u> | <u>\$746,941</u> | <u>\$3,395,399</u> |

In 1977, Junior High Addition general obligation bonds were issued for improving and adding to the Junior High school buildings and providing for equipment, furnishings, and site improvements.

In 1991, Energy Conservation general obligation notes were issued for the purpose of remodeling schools in the District, and thereby improving energy consumption.

Energy Conservation general obligation notes were issued in June 1995 in the amount of \$1,560,000, and in June 1998 in the amount of \$832,872 for the purpose of remodeling schools in the District, and thereby improving energy consumption.

In 1999, the District entered into a capital lease with Bank One for computer hardware and software.

Outstanding general obligation bonds and notes are direct obligations of the District for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property in the District.

Principal and interest requirements to retire general obligation debt, including notes outstanding at June 30, 2001 are as follows:

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

9. LONG-TERM OBLIGATIONS (Continued)

| Fiscal Year Ending June 30, | General Obligation Bonds | General Obligation Notes | Capital lease | Total |
|--------------------------------|--------------------------------|--------------------------------|------------------|--------------------|
| 2002 | \$489,159 | \$285,144 | \$82,632 | \$ 856,935 |
| 2003 | 468,146 | 285,144 | 75,746 | 829,036 |
| 2004 | 266,740 | 285,144 | 0 | 551,884 |
| 2005 | 265,040 | 285,144 | 0 | 550,184 |
| 2006 | 243,090 | 78,340 | 0 | 321,430 |
| 2007-2011 | 660,420 | 391,700 | 0 | 1,052,120 |
| 2012-2013 | <u>0</u> | <u>156,680</u> | <u>0</u> | <u>156,680</u> |
| Total | <u>\$2,392,595</u> | <u>\$1,767,296</u> | <u>\$158,378</u> | <u>\$4,318,269</u> |

10. JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Career Technical Center - The Miami Valley Career Technical Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the seven participating school districts' elected boards, which possesses its own budgeting and taxing authority. To obtain financial information write to the Miami Valley Career Technical Center at 6800 Hoke Road, Clayton, Ohio 45315.

Southwestern Ohio Educational Purchasing Cooperative - The School District is a member of the Southwestern Ohio Educational Purchasing Cooperative (SOEPC). The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools within geographical boundaries as defined by the SOEPC and to serve as a resource to member districts on matters related to business operations. The SOEPC elects one of its members as Chairperson and another as Vice-Chairperson. An executive committee is comprised of eleven members which include the Chairperson and Vice-Chairperson and a representative from the Fiscal Agent. Each new member pays an initiation fee in addition to the annual membership fee and other appropriate assessments.

11. CONTINGENCIES

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2001.

B. Litigation

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

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

11. CONTINGENCIES (Continued)

C. School Funding Court Decision

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

- ▶ A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- ▶ Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

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

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of December 19, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

On November 2, 2001, the Court granted this motion for reconsideration. The Court may re-examine and redetermine any issue upon such reconsideration.

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

12. ACCOUNTABILITY

The School District is required to disclose all instances of violations of finance related legal provisions. During the audit period the School District was found to be in violation of the following provisions:

Ohio Rev. Code Section 5705.36 states that the principal of a nonexpendable trust fund and any addition to the principal arising from sources other than the reinvestment of investment earnings to the fund that has been established for receiving donations and/or contributions pursuant to Ohio Rev. Code Section 5705.131 must also be excluded from the amount of unencumbered balances that are certified. The District did not remove the fiscal year end 2000 principal balance of the nonexpendable trust fund from the amount of unencumbered balances that were certified for fiscal year 2001.

Ohio Rev. Code Section 5705.41 (D) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. 33.3% of District expenditures were not properly certified prior to incurring obligations, which was in violation of the abovementioned section of the Ohio Revised Code.

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

12. ACCOUNTABILITY (Continued)

Ohio Admin. Code Section 117-2-03 (B) requires, as of the fiscal year that ended June 30, 1996, all school districts to prepare their annual financial report (but not necessarily account) in accordance with accounting principles generally accepted in the United States of America (unless a waiver has been granted by the Auditor of State). The District did not prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. Nor did the District receive a waiver from Auditor of State granting permission to prepare its annual financial report on a cash basis.

Ohio Rev. Code Section 5705.39 states that the total appropriations from each fund should not exceed the total estimated revenue. At June 30, 2001, the following funds had appropriations in excess of the amount certified as available by the budget commission:

| Fund | Total Estimated Resources | Appropriations | Variances |
|-------------------------------|----------------------------------|-----------------------|------------------|
| SPECIAL REVENUE FUNDS: | | | |
| Net Connectivity Fund | \$16,500 | \$122,209 | (\$105,709) |
| Title VI-B Fund | 225,421 | 238,597 | (13,176) |
| Title I Fund | 35,324 | 227,983 | (192,659) |

Ohio Rev. Code Section 5705.10, states money that is paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund. The following funds had negative fund balances in at June 30, 2001:

| Special Revenue Funds | Deficit Fund Balance |
|------------------------------|-----------------------------|
| Title 6B | \$ 13,176 |
| Title I | 184,417 |

These deficit fund balances resulted from disbursements in grant funds.

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2001**

| Federal Grantor/ Pass Through Grantor Program Title | Federal CFDA Number | Pass Through Entity Number | Receipts | Non-Cash Receipts | Disbursements | Non-Cash Disbursements |
|--|------------------------------------|---|-------------------|------------------------------|----------------------|-----------------------------------|
| UNITED STATES DEPARTMENT OF AGRICULTURE | | | | | | |
| <i>Passed Through Ohio Department of Education</i> | | | | | | |
| <i>Nutritional Cluster:</i> | | | | | | |
| Food Distribution | 10.550 | N/A | | \$ 31,299 | | \$ 46,397 |
| School Breakfast Program | 10.553 | 05-PU-2001 | \$ 7,647 | | \$ 7,647 | |
| National School Lunch Program | 10.555 | LL-P1-2000 | 21,721 | | 21,721 | |
| | | LL-P4-2000 | 7,590 | | 7,590 | |
| | | LL-P1-2001 | 94,817 | | 94,817 | |
| | | LL-P4-2001 | 30,732 | | 30,732 | |
| Total National School Lunch Program | | | <u>154,860</u> | <u>0</u> | <u>154,860</u> | <u>0</u> |
| Total United States Department of Agriculture - Nutrition Cluster | | | 162,507 | 31,299 | 162,507 | 46,397 |
| UNITED STATES DEPARTMENT OF EDUCATION | | | | | | |
| <i>Passed Through Ohio Department of Education</i> | | | | | | |
| <i>Special Education Cluster:</i> | | | | | | |
| Special Education Grants to States | 84.027 | 6B-SF-1999 | 143,861 | | 56,794 | |
| | | 6B-SF-2000 | 149,923 | | 181,804 | |
| Total Special Education Grants to States | | | <u>293,784</u> | | <u>238,598</u> | |
| Special Education Preschool Grants | 84.173 | PG-S1-1999 | | | 1,316 | |
| | | PG-S1-2000 | 8,258 | | | |
| Total Special Education Preschool Grants | | | <u>8,258</u> | <u>0</u> | <u>1,316</u> | <u>0</u> |
| Total Special Education Cluster | | | 302,042 | | 239,914 | |
| Vocational Education – Basic Grants to States | 84.048 | 20-C1-1999 | | | 85 | |
| Title I Grants to Local Education Agencies | 84.010 | C1-S1-1999 | (1,378) | | | |
| Safe and Drug Free Schools and Communities – State Grants | 84.186 | DR-S1-1998 | (100) | | | |
| | | DR-S1-1999 | (9,539) | | 7,355 | |
| | | DR-S1-2000 | 10,471 | | 2,434 | |
| Total Safe and Drug Free Schools and Communities – State Grants | | | <u>832</u> | | <u>9,789</u> | |
| Continuous Improvement | 84.276 | GR-S2-2000 | 27,000 | | 20,369 | |
| | | GR-S2-2001 | 18,000 | | | |
| Total Continuous Improvement | | | <u>45,000</u> | | <u>20,369</u> | |
| Eisenhower Professional Development State Grants | 84.281 | MS-S1-1998 | (111) | | | |
| | | MS-S1-1999 | (7,297) | | 2,868 | |
| | | MS-S1-2000 | 4,002 | | 4,002 | |
| Total Eisenhower Professional Development State Grants | | | <u>(3,406)</u> | | <u>6,870</u> | |
| Innovative Education Program Strategies | 84.298 | C2-S1-1999 | | | 6,530 | |
| | | C2-S1-2000 | 6,206 | | | |
| Total Innovative Education Program Strategies | | | <u>6,206</u> | | <u>6,530</u> | |
| Immigration Education Act | 84.162 | EI-SI-1999 | | | 896 | |
| | | EI-SI-2000 | (2,082) | | | |
| | | EI-SI-2001 | 3,600 | | 1,898 | |
| Total Immigration Education Act | | | <u>1,518</u> | | <u>2,794</u> | |
| Class Size Reduction Subsidy | 84.340 | CR-S1-00 | 47,040 | | 36,947 | |
| Total United States Department of Education | | | 397,854 | | 323,298 | |
| UNITED STATES DEPARTMENT OF HUMAN SERVICES | | | | | | |
| <i>Passed Through Montgomery County Educational Service Center</i> | | | | | | |
| CAFS Medicaid | 93.778 | N/A | 11,045 | | 11,045 | |
| Total Federal Financial Assistance | | | <u>\$ 571,406</u> | <u>\$ 31,299</u> | <u>\$ 496,850</u> | <u>\$ 46,397</u> |

The notes to the Schedule of Federal Awards Receipts and Expenditures are an integral part of this statement.

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
JUNE 30, 2001**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and 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 - NUTRITION CLUSTER

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, 2001, the School District had insignificant food commodities inventory.

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

West Carrollton City School District
Montgomery County
430 East Pease Avenue
West Carrollton, Ohio 45449

To the Board of Education:

We have audited the financial statements of West Carrollton City School District, Montgomery County (the District) as of and for the year ended June 30, 2001, and have issued our report thereon dated December 19, 2001, wherein we noted that the District prepares its financial statements on the basis of accounting formerly prescribed by the Auditor of State which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We also noted that we were unable to obtain documentation supporting the financial activities of the Extracurricular Activities function, nor were we able to satisfy ourselves as to those financial activities by other auditing procedures. Except for the matter referred to in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2001-10357-001 through 2001-10357-005. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 19, 2001.

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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2001-10357-006.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above, item 2001-10357-006 to be a material weakness. We also noted other matters involving the internal control over financial reporting, that do not require inclusion in this report, that we have reported to management of the District in a separate letter December 19, 2001.

This report is intended for the information and use of 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 19, 2001



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

West Carrollton City School District
Montgomery County
430 East Pease Avenue
West Carrollton, Ohio 45449

To the Board of Education:

Compliance

We have audited the compliance of West Carrollton City School District, Montgomery 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 each of its major federal programs for the year ended June 30, 2001. 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 each of 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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Districts, 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 each of its major federal programs for the year ended June 30, 2001. However, we noted certain instances of noncompliance that do not require inclusion in this report, that we have reported to the management of the District in a separate letter dated December 19, 2001.

Internal Control Over Compliance

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

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

This report is intended for the information and use of management, the Board of Education, 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 19, 2001

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2001**

| |
|--|
| 1. SUMMARY OF AUDITOR'S RESULTS |
|--|

| | | |
|---------------------|---|---|
| (d)(1)(i) | Type of Financial Statement Opinion | Qualified |
| (d)(1)(ii) | Were there any material control weakness conditions reported at the financial statement level (GAGAS)? | Yes |
| (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 #'s 10.550, 10.553, 10.555 Special Education Cluster CFDA#'s 84.027, 84.173 |
| (d)(1)(viii) | Dollar Threshold: Type A\B Programs | Type A: > \$300,000 Type B: all others |
| (d)(1)(ix) | Low Risk Auditee? | No |

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2001**

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

FINDING NUMBER 2001-10357-001

Ohio Rev. Code Section 5705.36 states that the principal of a nonexpendable trust fund and any addition to the principal arising from sources other than the reinvestment of investment earnings to the fund that has been established for receiving donations and/or contributions pursuant to Ohio Rev. Code Section 5705.131 must also be excluded from the amount of unencumbered balances that are certified. The District did not remove the fiscal year end 2000 principal balance of the nonexpendable trust fund from the amount of unencumbered balances that were certified for fiscal year 2001. This resulted in cash available for appropriations in fiscal year 2001, in the nonexpendable trust fund, being overstated by \$12,335.

The District should remove the principal of the nonexpendable trust fund from the Certificate of Available Revenue prior to certification so that this amount is not appropriated.

FINDING NUMBER 2001-10357-002

Ohio Rev. Code Section 5705.41 (D) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following exceptions to this basic requirement are provided by statute:

Then and Now Certificates: This exception provides that, if the fiscal officer can certify that at both the time that the contract or order was made, and at the time he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

Amounts of less than \$1,000 may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate an otherwise applicable requirement for approval of expenditures by the taxing authority.

During the period tested 33.3% (20/60) of expenditures selected for testing were not properly certified prior to incurring obligations, which was in violation of the abovementioned section of the Ohio Revised Code. The District should assure that fiscal officer's certificates are properly executed prior to incurring obligations.

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2001
(Continued)**

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

FINDING NUMBER 2001-10357-003

Ohio Admin. Code Section 117-2-03 (B) requires, as of the fiscal year that ended June 30, 1996, all school districts to prepare their annual financial report (but not necessarily account) in accordance with accounting principles generally accepted in the United States of America (unless a waiver has been granted by the Auditor of State). The District did not prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. Nor did the District receive a waiver from Auditor of State granting permission to prepare its annual financial report on a cash basis. Failure to prepare the annual financial report in accordance with accounting principles generally accepted in the United States of America could result in significant assets, liabilities, and fund equities not being disclosed to the reader of the annual financial report.

To comply with abovementioned Section of Code and to allow significant assets, liabilities, and fund equities to be disclosed to the reader of the annual financial report, it is recommended that the District prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America.

FINDING NUMBER 2001-10357-004

Ohio Rev. Code Section 5705.39 states that the total appropriations from each fund should not exceed the total estimated revenue. At June 30, 2001, the following funds had appropriations in excess of the amount certified as available by the budget commission:

| Fund | Total Estimated Resources | Appropriations | Variances |
|-------------------------------|----------------------------------|-----------------------|------------------|
| SPECIAL REVENUE FUNDS: | | | |
| Net Connectivity Fund | \$16,500 | \$122,209 | (\$105,709) |
| Title VI-B Fund | 225,421 | 238,597 | (13,176) |
| Title I Fund | 35,324 | 227,983 | (192,659) |

The District should monitor appropriations and estimated revenue throughout the fiscal year, making budgetary amendments as needed to be in compliance with this section of Ohio Revised Code. Implementing these procedures will reduce the risk that expenditures will exceed available resources.

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2001
(Continued)**

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

FINDING NUMBER 2001-10357-005

Ohio Rev. Code Section 5705.10 states money that is paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund. The following funds had negative fund balances in at June 30, 2001:

| Special Revenue Funds | Deficit Fund Balance |
|------------------------------|-----------------------------|
| Title 6B | \$ 13,176 |
| Title I | 184,417 |

These deficit fund balances resulted from disbursements in grant funds. To ensure compliance with the abovementioned Section of the Revised Code, we recommend the budgetary control accounts over expenditures be monitored monthly and that projected negative cash balances be financed with cash advances from the General fund.

FINDING NUMBER 2001-10357-006

During the period tested, the District was unable to provide source documentation for 77% of the extracurricular activity receipts recorded in the Special Revenue Fund and 44% of the extracurricular activity receipts recorded in the Agency Fund. Failure to properly account for extracurricular activity receipts could result in extracurricular revenue being understated in the financial statements and funds being misappropriated and not detected by the District.

The District should create and implement an extracurricular activity events cash management policy, to include, the use of "sales project potential forms" to document receipts collected. The District should also require all source documentation used to support monies collected at extracurricular events be maintained and made available for inspection by the Treasurer. These procedures will help establish proper accountability over monies collected at extracurricular events.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

NONE

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**SCHEDULE OF PRIOR YEAR FINDINGS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2001**

| <u>Finding Number</u> | <u>Finding Summary</u> | <u>Fully Corrected?</u> | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i> |
|-----------------------|--|-------------------------|---|
| 2000-10357-001 | Ohio Rev. Code Section 5705.36 - Principal from nonexpendable trust fund must be excluded from the unencumbered balances that are certified | No | Not Corrected - Repeat finding in FY 2001 |
| 2000-10357-002 | Ohio Rev. Code Section 5705.41 (D) - Fiscal officer certifications | No | Not Corrected - Repeat finding in FY 2001 |
| 2000-10357-003 | Ohio Rev. Code Section 5747.07 - Remittance of State income taxes withheld from employees | Yes | Corrected - No exceptions noted for FY 2001 |
| 2000-10357-004 | Ohio Rev. Code Section 5705.41 (B) - Appropriations exceeding actual expenditures plus outstanding encumbrances | Yes | Corrected - No exceptions noted for FY 2001 |
| 2000-10357-005 | Ohio Administrative Code Section 117-2-03 (B) - Preparation of annual financial report in accordance with generally accepted accounting principles | No | Not Corrected - Repeat finding in FY 2001 |

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**SCHEDULE OF PRIOR YEAR FINDINGS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2001
(Continued)**

| <u>Finding Number</u> | <u>Finding Summary</u> | <u>Fully Corrected?</u> | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i> |
|-----------------------|--|-------------------------|---|
| 2000-10357-006 | Ohio Rev. Code Section 9.833 - Self insurance programs reserve amounts to cover potential cost | Yes | Corrected - No exceptions noted for FY 2001 |
| 2000-10357-007 | Ohio Rev. Code Section 3307.26 - Withhold from employees' wages STRS | Yes | Corrected - No exceptions noted for FY 2001 |
| 2000-10357-008 | Ohio Rev. Code Section 5705.29(H) - Annual contribution of 1% for budget reserve set-aside | Yes | Corrected - No exceptions noted for FY 2001 |
| 2000-10357-009 | Ohio Rev. Code Section 5705.39 - Appropriations exceeding total estimated revenue | No | Not Corrected - Repeat finding in FY 2001 |
| 2000-10357-010 | Failure to record employee deductions and claims payments for self insurance dental plan in the accounting ledgers | Yes | Corrected - No exceptions noted for FY 2001 |

**WEST CARROLLTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**SCHEDULE OF PRIOR YEAR FINDINGS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2001
(Continued)**

| <u>Finding Number</u> | <u>Finding Summary</u> | <u>Fully Corrected?</u> | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i> |
|-----------------------|--|-------------------------|---|
| 2000-10357-011 | Failure to record bond proceeds and expenditures in the accounting records | Yes | Corrected - No exceptions noted for FY 2001 |
| 2000-10357-012 | Separation of taxes used to pay principal and interest of installment notes | Yes | Corrected - No exceptions noted for FY 2001 |
| 2000-10357-013 | Unable to reconcile the general depository and payroll bank accounts | Yes | Corrected - No exceptions noted for FY 2001 |
| 2000-10357-014 | Unable to provide source documentation for extracurricular activity receipts | No | Not Corrected - Repeat finding in FY 2001 |



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WEST CARROLLTON CITY SCHOOL DISTRICT

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 3, 2002**