

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

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

*FOR THE FISCAL YEAR ENDED  
JUNE 30, 2000*

**CHRISTINA BENNETT, TREASURER**



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

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1<sup>st</sup> Floor  
Columbus, Ohio 43215

Telephone 614-466-4514  
800-282-0370

Facsimile 614-728-7398

Board of Education  
Crestview Local School District

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

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

JIM PETRO  
Auditor of State

December 21, 2000

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

TABLE OF CONTENTS

Independent Auditor’s Report .....	1
Combined Balance Sheet - All Fund Types and Account Groups .....	2 - 3
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types .....	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Comparison (Non-GAAP Budgetary Basis) - .....	5
Combined Statement of Revenues, Expenses and Changes in Retained Earnings (Accumulated Deficit) - All Proprietary Fund Types .....	6
Combined Statement of Cash Flows - All Proprietary Fund Types .....	7
Notes to the General Purpose Financial Statements .....	8 - 44
Supplemental Data	
Schedule of Expenditures of Federal Awards .....	45
Report on Compliance and on Internal Control Required By <i>Government Auditing Standards</i> .....	46 - 47
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	48 - 49
Schedule of Findings <i>OMB Circular A-133 § .505</i> .....	50 - 51

# TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 WORTHINGTON WOODS BOULEVARD  
SUITE B  
WORTHINGTON, OHIO 43085

TELEPHONE 614.846.1899  
FACSIMILE 614.846.2799

## Independent Auditor's Report

Board of Education  
Crestview Local School District  
1575 St. Rt. 96  
Ashland, Ohio 44805

We have audited the accompanying general purpose financial statements of the Crestview Local School District, Richland 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2000, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Trimble, Julian & Grube, Inc.  
November 10, 2000

**CRESTVIEW LOCAL SCHOOL DISTRICT**  
**RICHLAND COUNTY, OHIO**  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 2000

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise		Internal Service	General Fixed Assets	
<b>ASSETS AND OTHER DEBITS</b>									
<b>ASSETS:</b>									
Equity in pooled cash and cash equivalents . . . . .	\$2,830,195	\$199,787	\$318,247	\$54,985	\$4,053	\$399,815	\$20,422		\$3,827,504
Receivables (net of allowances of uncollectibles):									
Taxes - current and delinquent . . . . .	1,986,911	36,884	317,046		68				2,340,841
Accounts . . . . .	2,244	330							2,642
Due from other governments . . . . .	3,450	4,700							8,150
Prepayments . . . . .	7,298								7,298
Materials and supplies inventory . . . . .	17,379				7,595				24,974
Restricted assets:									
Equity in pooled cash and cash equivalents . . . . .	130,467								130,467
Property, plant and equipment (net of accumulated depreciation where applicable) . . . . .					76,889			\$14,600,789	14,677,678
<b>OTHER DEBITS:</b>									
Amount available in debt service fund . . . . .								\$345,423	345,423
Amount to be provided for retirement of general long-term obligations . . . . .								2,833,400	2,833,400
<b>Total assets and other debits . . . . .</b>	<b>\$4,977,944</b>	<b>\$241,701</b>	<b>\$635,293</b>	<b>\$54,985</b>	<b>\$88,605</b>	<b>\$399,815</b>	<b>\$20,422</b>	<b>\$3,178,823</b>	<b>\$24,198,377</b>

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

**CRESTVIEW LOCAL SCHOOL DISTRICT**  
**RICHLAND COUNTY, OHIO**  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 2000

	Governmental Fund Types				Proprietary Fund Types			Fiduciary	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Agency	General	Long-Term		
								Fixed Assets	Obligations		
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>											
<b>LIABILITIES:</b>											
Accounts payable . . . . .	\$24,892	\$25,304									\$50,196
Accrued wages and benefits . . . . .	554,746	41,010		\$8	\$24,496				\$288,149		620,260
Compensated absences payable . . . . .	53,157				7,608						348,914
Claims payable . . . . .						\$74,427					74,427
Pension obligation payable . . . . .	88,186	4,892			18,784				50,671		162,533
Deferred revenue . . . . .	1,798,533	33,636	\$289,870		4,102						2,126,141
Due to other governments . . . . .	5,936										5,936
Due to students . . . . .							\$20,422				20,422
General obligation bonds payable . . . . .									2,640,000		2,640,000
Energy conservation loans payable . . . . .									200,003		200,003
<b>Total liabilities . . . . .</b>	<b>2,525,450</b>	<b>104,842</b>	<b>289,870</b>	<b>8</b>	<b>54,990</b>	<b>74,427</b>	<b>20,422</b>	<b>-</b>	<b>3,178,823</b>		<b>6,248,832</b>
<b>EQUITY AND OTHER CREDITS:</b>											
Investment in general fixed assets . . . . .								\$14,600,789			14,600,789
Contributed capital . . . . .					68,878						68,878
Retained earnings (accumulated deficit): unreserved . . . . .					(35,263)	325,388					290,125
<b>Fund balances:</b>											
Reserved for encumbrances . . . . .	198,939	70,218		21,077							290,234
Reserved for prepayments . . . . .	7,298										7,298
Reserved for materials and supplies inventory . . . . .	17,379										17,379
Reserved for debt service . . . . .			321,763								321,763
Reserved for tax revenue unavailable for appropriation . . . . .	146,727	2,746	23,660								173,133
Reserved for budget stabilization . . . . .	130,467										130,467
Unreserved-undesignated . . . . .	1,951,684	63,895		33,900							2,049,479
<b>Total equity and other credits . . . . .</b>	<b>2,452,494</b>	<b>136,859</b>	<b>345,423</b>	<b>54,977</b>	<b>33,615</b>	<b>325,388</b>	<b>-</b>	<b>14,600,789</b>	<b>-</b>		<b>17,949,545</b>
<b>Total liabilities, equity and other credits . . . . .</b>	<b>\$4,977,944</b>	<b>\$241,701</b>	<b>\$635,293</b>	<b>\$54,985</b>	<b>\$88,605</b>	<b>\$399,815</b>	<b>\$20,422</b>	<b>\$14,600,789</b>	<b>\$3,178,823</b>		<b>\$24,198,377</b>

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

**CRESTVIEW LOCAL SCHOOL DISTRICT**  
**RICHLAND COUNTY, OHIO**  
COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Revenues:</b>					
From local sources:					
Taxes . . . . .	\$1,642,123	\$30,174	\$223,048		\$1,895,345
Tuition . . . . .	29,720				29,720
Earnings on investments . . . . .	182,275			\$1,811	184,086
Extracurricular . . . . .		132,244			132,244
Other local revenues . . . . .	66,062	42,399		750	109,211
Intergovernmental - State . . . . .	4,952,117	98,625	27,610	19,213	5,097,565
Intergovernmental - Federal . . . . .		343,394			343,394
<b>Total revenue . . . . .</b>	<b>6,872,297</b>	<b>646,836</b>	<b>250,658</b>	<b>21,774</b>	<b>7,791,565</b>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular . . . . .	3,167,241	75,173		20,546	3,262,960
Special . . . . .	486,410	268,331			754,741
Vocational . . . . .	155,531	800			156,331
Other . . . . .	533			848	1,381
Support services:					
Pupil . . . . .	223,559	51,294			274,853
Instructional staff . . . . .	179,104	38,488			217,592
Board of Education . . . . .	108,061	1,408			109,469
Administration . . . . .	458,807	15,268			474,075
Fiscal . . . . .	148,326	74	4,079		152,479
Business . . . . .		708			708
Operations and maintenance . . . . .	682,943	17,537			700,480
Pupil transportation . . . . .	529,201				529,201
Central . . . . .	12,242	6,939		4,564	23,745
Extracurricular activities . . . . .	197,872	141,349			339,221
Facilities aquisition and construction . . . . .	14,196			115,786	129,982
Debt service:					
Principal retirement . . . . .			121,877		121,877
Interest and fiscal charges . . . . .			189,043		189,043
<b>Total expenditures . . . . .</b>	<b>6,364,026</b>	<b>617,369</b>	<b>314,999</b>	<b>141,744</b>	<b>7,438,138</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	508,271	29,467	(64,341)	(119,970)	353,427
Other financing sources (uses):					
Operating transfers in . . . . .		7,024	31,677	8,369	47,070
Operating transfers out . . . . .	(48,007)				(48,007)
Proceeds from sale of fixed assets . . . . .	2,645				2,645
<b>Total other financing sources (uses) . . . . .</b>	<b>(45,362)</b>	<b>7,024</b>	<b>31,677</b>	<b>8,369</b>	<b>1,708</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses . . . . .	462,909	36,491	(32,664)	(111,601)	355,135
Fund balances, July 1, 1999 . . . . .	1,980,825	100,368	378,087	166,578	2,625,858
Increase in reserve for inventory . . . . .	8,760				8,760
<b>Fund balances, June 30, 2000 . . . . .</b>	<b>\$2,452,494</b>	<b>\$136,859</b>	<b>\$345,423</b>	<b>\$54,977</b>	<b>\$2,989,753</b>

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

**CRESTVIEW LOCAL SCHOOL DISTRICT**  
**RICHLAND COUNTY, OHIO**  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	General			Special Revenue			Debt Service			Capital Projects			Total (Memorandum only)		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>															
From local sources:															
Taxes.....	\$1,946,443	\$1,946,443	\$0	\$34,763	\$34,763	\$0	\$261,049	\$261,049	\$0	\$1,811	\$1,811	\$0	\$2,242,255	\$2,242,255	\$0
Tuition.....	29,865	29,865	0										29,865	29,865	0
Earnings on investments.....	182,275	182,275	0										184,086	184,086	0
Extracurricular.....				131,914	131,914	0				750	750	0	131,914	131,914	0
Other local revenues.....	55,727	55,727	0	42,399	42,399	0	27,610	27,610	0	19,213	19,213	0	98,876	98,876	0
Intergovernmental - State.....	4,883,715	4,883,715	0	93,925	93,925	0							5,024,463	5,024,463	0
Intergovernmental - Federal.....				352,176	352,176	0							352,176	352,176	0
<b>Total revenues.....</b>	<b>7,098,025</b>	<b>7,098,025</b>	<b>0</b>	<b>655,177</b>	<b>655,177</b>	<b>0</b>	<b>288,659</b>	<b>288,659</b>	<b>0</b>	<b>21,774</b>	<b>21,774</b>	<b>0</b>	<b>8,063,635</b>	<b>8,063,635</b>	<b>0</b>
<b>Expenditures:</b>															
Current:															
Instruction:															
Regular.....	3,117,957	3,117,957	0	70,321	65,500	4,821				53,027	20,570	32,457	3,241,305	3,204,027	37,278
Special.....	472,921	472,921	0	308,913	272,669	36,244							781,834	745,590	36,244
Vocational.....	158,620	158,620	0	800	800	0				840	840	0	159,420	159,420	0
Other.....	533	533	0										1,373	1,373	0
Support services:															
Pupil.....	292,957	292,957	0	67,130	67,065	65							360,087	360,022	65
Instructional staff.....	181,210	181,210	0	51,567	46,624	4,943							232,777	227,834	4,943
Board of Education.....	115,701	115,701	0	1,420	1,407	13							117,121	117,108	13
Administration.....	460,458	460,458	0	16,575	15,298	1,277							477,033	475,756	1,277
Fiscal.....	148,791	148,791	0										148,791	148,791	0
Business.....				1,372	1,051	321	4,200	3,970	230				5,572	5,021	551
Operations and maintenance.....	692,842	692,842	0	45,259	45,212	47							738,101	738,054	47
Pupil transportation.....	661,247	661,247	0	13,136	6,939	6,197				4,565	4,565	0	661,247	661,247	0
Central.....	12,343	12,343	0	147,054	143,044	4,010				136,861	136,861	0	30,044	23,847	6,197
Extracurricular activities.....	195,765	195,765	0										479,680	475,670	4,010
Facilities acquisition and construction.....	14,849	14,849	0										14,849	14,849	0
Debt service:															
Principal retirement.....							121,877	121,877	0				121,877	121,877	0
Interest and fiscal charges.....				189,043	189,043	0							189,043	189,043	0
Total expenditures.....	6,526,194	6,526,194	0	723,547	665,609	57,938	315,120	314,890	230	195,293	162,836	32,457	7,760,154	7,669,529	90,625
Excess (deficiency) of revenues over (under) expenditures.....	571,831	571,831	0	(68,370)	(10,432)	57,938	(26,461)	(26,231)	230	(173,519)	(141,062)	32,457	303,481	394,106	90,625
Other financing sources (uses):															
Refund of prior year's expenditures.....	74,327	74,327	0	13,500	13,500	0							87,827	87,827	0
Refund of prior year's receipts.....	(90)	(90)	0										(90)	(90)	0
Operating transfers in.....	586,044	586,044	0	7,023	7,023	0	31,677	31,677	0	8,369	8,369	0	633,113	633,113	0
Operating transfers (out).....	(634,050)	(634,050)	0										(634,050)	(634,050)	0
Advances in.....	18,500	18,500	0										18,500	18,500	0
Proceeds from sale of fixed assets.....	2,645	2,645	0										2,645	2,645	0
Total other financing sources (uses).....	47,376	47,376	0	20,523	20,523	0	31,677	31,677	0	8,369	8,369	0	107,945	107,945	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses).....	619,207	619,207	0	(47,847)	10,091	57,938	5,216	5,446	230	(165,150)	(132,693)	32,457	411,426	502,051	90,625
Fund balance, July 1, 1999.....	1,992,016	1,992,016	0	86,588	86,588	0	312,801	312,801	0	166,601	166,601	0	2,558,006	2,558,006	0
Prior year encumbrances appropriated.....	122,907	122,907	0	9,694	9,694	0							132,601	132,601	0
Fund balance, June 30, 2000.....	\$2,734,130	\$2,734,130	\$0	\$48,435	\$106,373	\$57,938	\$318,017	\$318,247	\$230	\$1,451	\$33,908	\$32,457	\$3,102,033	\$3,192,658	\$90,625

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



**CRESTVIEW LOCAL SCHOOL DISTRICT**  
**RICHLAND COUNTY, OHIO**  
COMBINED STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN RETAINED EARNINGS (ACCUMULATED DEFICIT)  
ALL PROPRIETARY FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Proprietary Fund Types		Total (Memorandum Only)
	Enterprise	Internal Service	
Operating revenues:			
Tuition and fees . . . . .	\$1,071		\$1,071
Sales/charges for services . . . . .	300,425	\$745,826	1,046,251
<b>Total operating revenues . . . . .</b>	<b>301,496</b>	<b>745,826</b>	<b>1,047,322</b>
Operating expenses:			
Personal services . . . . .	200,489		200,489
Contract services . . . . .	3,064		3,064
Materials and supplies . . . . .	198,854		198,854
Depreciation . . . . .	4,744		4,744
Other operating expenses . . . . .	232		232
Claims expense . . . . .		698,465	698,465
<b>Total operating expenses . . . . .</b>	<b>407,383</b>	<b>698,465</b>	<b>1,105,848</b>
Operating income (loss) . . . . .	(105,887)	47,361	(58,526)
Nonoperating revenues (expenses):			
Operating grants . . . . .	82,984		82,984
Federal commodities . . . . .	24,792		24,792
Interest revenue . . . . .	40	21,738	21,778
Loss on disposal of fixed assets . . . . .	(50)		(50)
<b>Total nonoperating revenues . . . . .</b>	<b>107,766</b>	<b>21,738</b>	<b>129,504</b>
Net income before operating transfers . . . . .	1,879	69,099	70,978
Operating transfers in . . . . .	2,300		2,300
Operating transfers out . . . . .	(1,363)		(1,363)
<b>Net income . . . . .</b>	<b>2,816</b>	<b>69,099</b>	<b>71,915</b>
Retained earnings (accumulated deficit) at July 1, 1999 . . . . .	(38,079)	256,289	218,210
Retained earnings (accumulated deficit) at June 30, 2000 . . . . .	(335,263)	\$325,388	\$290,125

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

**CRESTVIEW LOCAL SCHOOL DISTRICT**  
**RICHLAND COUNTY, OHIO**  
 COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY FUND TYPES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Proprietary Fund Types		Total (Memorandum Only)
	Enterprise	Internal Service	
Cash flows from operating activities:			
Cash received from tuition and fees . . . . .	\$1,071		\$1,071
Cash received from sales/service charges . . . . .	300,357	\$745,826	1,046,183
Cash payments for personal services . . . . .	(199,960)		(199,960)
Cash payments for contract services . . . . .	(3,064)		(3,064)
Cash payments for materials and supplies . . . . .	(172,046)		(172,046)
Cash payments for claims expenses . . . . .		(729,586)	(729,586)
Cash payments for other expenses . . . . .	(232)		(232)
Net cash provided by (used in) operating activities . . . . .	(73,874)	16,240	(57,634)
Cash flows from noncapital financing activities:			
Cash received from operating grants . . . . .	94,917		94,917
Operating transfers in from other funds . . . . .	2,300		2,300
Operating transfers out to other funds . . . . .	(1,363)		(1,363)
Cash used in repayment of interfund loan . . . . .	(18,500)		(18,500)
Net cash provided by noncapital financing activities . . . . .	77,354		77,354
Cash flows from capital and related financing activities:			
Acquisition of capital assets . . . . .	(2,100)		(2,100)
Net cash used in capital and related financing activities . . . . .	(2,100)		(2,100)
Cash flows from investing activities:			
Interest received . . . . .	40	21,738	21,778
Net cash provided by investing activities . . . . .	40	21,738	21,778
Net increase in cash and cash equivalents . . . . .	1,420	37,978	39,398
Cash and cash equivalents at beginning of year . . . . .	2,633	361,837	364,470
Cash and cash equivalents at end of year . . . . .	<u>\$4,053</u>	<u>\$399,815</u>	<u>\$403,868</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss) . . . . .	(\$105,887)	\$47,361	(\$58,526)
Adjustments to reconcile operating income (loss) to to net cash provided by (used in) operating activities:			
Depreciation . . . . .	4,744		4,744
Federal donated commodities . . . . .	24,792		24,792
Changes in assets and liabilities:			
Increase in accounts receivable . . . . .	(68)		(68)
Decrease in materials and supplies inventory . . . . .	2,361		2,361
Increase in accrued wages and benefits . . . . .	474		474
Increase in compensated absences payable . . . . .	1,106		1,106
Decrease in pension obligation payable . . . . .	(1,051)		(1,051)
Decrease in claims payable . . . . .		(31,121)	(31,121)
Decrease in deferred revenue . . . . .	(345)		(345)
Net cash provided by (used in) operating activities . . . . .	<u>(\$73,874)</u>	<u>\$16,240</u>	<u>(\$57,634)</u>

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

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

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

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

The Crestview Local School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a local district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education and is responsible for providing public education to residents of the District.

The District ranks as the 422nd largest by total enrollment among the 660 public and community school districts in the State. Average daily membership as of June 30, 2000 was 1,345. The District employed 85 certified employees and 62 non-certified employees.

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

**NOTE 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 also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The District's significant accounting policies are described below.

**A. Reporting Entity**

The District's reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity". When applying GASB Statement No. 14, management has considered all potential component units. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the District's ability to exercise significant oversight responsibility. The most significant manifestation of this ability is financial interdependence. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of the governing authority, the designation of management, the ability to significantly influence operations, and the accountability for fiscal matters.

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

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

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

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

*JOINTLY GOVERNED ORGANIZATIONS*

Heartland Council of Governments (the COG)

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

Pioneer Career and Technology Center (PCTC)

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

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

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

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

*INSURANCE PURCHASING POOL*

Ohio School Boards Association Workers' Compensation Group Rating Program

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP was established under Section 4123.29 of the Ohio Revised Code. The GRP's business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

**B. Fund Accounting**

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

*GOVERNMENTAL FUNDS*

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

General Fund - The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

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

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

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

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

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

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

*PROPRIETARY FUNDS*

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

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

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

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

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

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

*FIDUCIARY FUNDS*

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency fund is presented on a budget basis, with note disclosure, regarding items which, in other fund types, would be subject to accrual. There were no agency fund accruals at June 30, 2000 which, in another fund type, would be recognized on the combined balance sheet.

*ACCOUNT GROUPS*

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

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

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

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds 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.

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

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

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

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

The modified accrual basis of accounting is followed for governmental funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period, which for the District is sixty days after the June 30 year end. Revenues accrued at the end of the year include taxes, (to the extent they are intended to finance the current fiscal year), interest, and accounts (student fees and tuition). Property taxes measurable as of June 30, 2000 and delinquent property taxes, whose availability is indeterminate and are intended to finance fiscal 2001 operations, have been recorded as deferred revenues, except for that portion which is available from the County Auditors as advances at June 30. This amount is recognized as revenue. In proprietary funds, unused donated commodities are reported as deferred revenue.

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

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



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

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

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

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 in the operating statement as an expense and a like amount is reported as donated commodities revenue.

**D. Budgets**

The District is required by state statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2000 is as follows:

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

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

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

4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation total.
5. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.
7. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted; however, none of these amendments were significant.
8. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund level.

Encumbrance accounting is utilized with District funds in the normal course of operations, for purchase orders and contract related expenditures. An encumbrance is a reserve on the available spending authority due to commitment for a future expenditure and does not represent a liability. For governmental fund types, encumbrances outstanding at year end appear as a reserve to the fund balance on a GAAP basis and as the equivalent of expenditures on a non-GAAP budgetary basis in order to demonstrate legal compliance. Note 17 provides a reconciliation of the budgetary and GAAP basis of accounting for governmental fund types and Note 14 provides disclosure of the encumbrances outstanding for the enterprise funds at fiscal year end.

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

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

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

**E. Cash and Investments**

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

During fiscal year 2000, investments were limited to investments in the State Asset Treasury Reserve of Ohio (STAR Ohio). Investments in STAR Ohio are reported at fair value which is based on quoted market prices.

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. By policy of the Board of Education, investment earnings are assigned to the general fund, the Building capital projects fund and the Self-Insurance internal service fund. The Food Service enterprise fund receives interest earnings based upon Federal mandate. Interest revenue credited to the general fund during fiscal 2000 amounted to \$182,275, which includes \$34,940 assigned from other District funds.

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

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

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

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

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

**F. Fixed Assets and Depreciation**

1. General Fixed Assets Account Group

General fixed assets are capitalized at cost or estimated historical cost. Donated fixed assets are recorded at their fair market values as of the date donated. The District follows the policy of not capitalizing assets with a cost of less than \$500. No depreciation is recognized for assets in the general fixed assets account group. The District has not included infrastructure in the general fixed assets account group.

2. Proprietary Funds

Equipment reflected in these funds are stated at historical cost or estimated historical cost and updated for the cost of additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date donated. Depreciation has been provided, where appropriate, on a straight-line basis over the following estimated useful lives:

<u>Asset</u>	<u>Life (years)</u>
Furniture, fixtures and equipment	5 - 20

**G. Contributed Capital**

Contributed capital is recorded in proprietary funds that have received capital grants, or contributions from developers, customers, or other funds. These assets are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end.

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

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

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

**H. Intergovernmental Revenues**

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

Entitlements

General Fund

State Foundation Program  
School Bus Purchase Reimbursement

Non-Reimbursable Grants

Special Revenue Funds

Title VI  
Education Management Information Systems  
(EMIS)  
Title I  
Title II  
GOALS 2000  
Textbook/Instructional Materials Subsidy  
Professional Development Block Grant  
Classroom Facilities Maintenance Fund  
Eisenhower Grant  
Drug-Free Schools  
Telecommunications  
Ohio Reads  
SchoolNet Professional Development  
Data Communication

Non-Reimbursable Grants - (cont'd)

Capital Projects Funds

Classroom Facilities Grant  
Technology Equity  
Vocational Education Equipment

Reimbursable Grants

General Fund

Driver Education Reimbursement

Enterprise Fund

National School Lunch Program  
Government Donated Commodities

Grants and entitlements amounted to approximately 61% of the District's operating revenue during the 2000 fiscal year.

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

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

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

**I. Compensated Absences**

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

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

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

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  
RICHLAND COUNTY, OHIO**

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

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

**J. Long-Term Obligations**

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term obligations account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

**K. Fund Equity**

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

**L. Interfund Transactions**

Transactions between funds during the course of normal operations may occur. 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 show transfers of resources as operating transfers.
2. Reimbursements from one fund to another are treated as expenditures/expenses in the reimbursing fund and a reduction in expenditures/expenses in the reimbursed fund. Quasi-external transactions are accounted for as revenues, expenditures or expenses.
3. Short-term interfund loans and accrued interfund reimbursements and accrued operating transfers are reflected as "interfund loans receivable and payable". The District had no short-term interfund loans receivable or payable at June 30, 2000.

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

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

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

4. Long-term interfund loans that will not be repaid within the next year are termed “advances” and are shown as reservations of fund balances on the combined balance sheet for those funds that report advances to other funds as assets because they are not spendable, available resources. The District had no long-term advances receivable or payable at June 30, 2000.

An analysis of interfund transactions is presented in Note 5.

**M. 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 the State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. A fund balance reserve has also been established. See Note 19 for detail of statutory reserves.

**N. Estimates**

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

**O. 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.



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

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

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

**P. Prepayments**

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

**Q. Memorandum Only - Total Columns**

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

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**Deficit Fund Balances/Retained Earnings**

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

	<u>Deficit Balances</u>
<u>Special Revenue Funds</u>	
Title I	\$ 746
Miscellaneous Federal Grants	2,208
<u>Enterprise Funds</u>	
Food Service	35,263

These funds complied with Ohio state law which does not allow a cash deficit at year end.

The deficit fund balances in the Title I and Miscellaneous Federal Grants special revenue funds are a result of accruing wage obligations in accordance with GAAP. These deficits will be eliminated by user charges and intergovernmental revenues not recognized at June 30.

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

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

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

The deficit retained earnings in the Food Service enterprise fund is a result of accruing wages, benefit and pension obligations in accordance with GAAP. This deficit will be eliminated by user charges and intergovernmental revenues not recognized at June 30.

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

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

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

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

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

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.

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, Notes, Debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt instruments rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

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

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 \$250 in undeposited cash on hand which is included on the combined balance sheet of the District as part of "Equity in Pooled Cash and Cash Equivalents."

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

*Deposits:* At year end, the carrying amount of the District's deposits was \$2,633 and the bank balance was \$20,242. The entire bank balance was covered by FDIC.

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

*Investments:* Investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or securities held by the District. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department, but not in the District's name.

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

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

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

The District had investments of \$3,955,088 in STAR Ohio at June 30, 2000. STAR Ohio is not categorized because it is not evidenced by securities that exist in physical or book entry form.

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

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

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement No. 9	\$ 3,957,971	\$ 0
Investment of the cash management pool:		
Investment in STAR Ohio	(3,955,088)	3,955,088
Cash on hand	<u>(250)</u>	<u>---</u>
GASB Statement No. 3	<u>\$ 2,633</u>	<u>\$3,955,088</u>

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

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

**NOTE 5 - INTERFUND TRANSACTIONS**

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

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>General Fund</u>	\$ - - -	\$48,007
<u>Special Revenue Funds</u>		
District Managed Student		
Activities	5,660	- - -
Public School Support	1,364	- - -
<u>Debt Service Fund</u>	31,677	- - -
<u>Capital Projects Fund</u>		
Classroom Facilities	8,369	- - -
<u>Enterprise Funds</u>		
Food Service	2,300	- - -
Uniform School Supply	<u>- - -</u>	<u>1,363</u>
Total	<u>\$49,370</u>	<u>\$49,370</u>

**NOTE 6 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis. Distributions from the second half of the calendar year occur in a new fiscal year and are intended to finance the operations of that year. Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the District. Real property taxes and public utility taxes are levied after November 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at 35% of appraised market value.

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

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

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

Public utility property taxes are assessed on tangible personal property, as well as land and improvements. Real property is assessed at 35% of market value and personal property is assessed at 100% of market value except for the personal property of rural electric companies which is assessed 50% of market and railroads which are assessed at 29%.

Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. Tangible personal property assessments are 25% of true value. The assessed value upon which the 1999 taxes were collected was \$82,564,533. Agricultural/residential real estate represented \$66,041,210 or 79.99% of this total, commercial & industrial real estate represented \$3,293,100 or 3.99% of this total, public utility tangible represented \$10,076,910 or 12.20% of this total and general tangible property represented \$3,153,313 or 3.82% of this total. The voted general tax rate at the fiscal year ended June 30, 2000 was \$42.40 per \$1,000.00 of assessed valuation for operations and \$4.00 per \$1,000.00 of assessed valuation for debt retirement.

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

The Richland and Ashland County Treasurers collect real estate property taxes on behalf of all taxing districts within the County. The Richland and Ashland County Auditors periodically remit to the District their portion of the taxes collected with final settlement in March and September. Such collections are available to pay current period liabilities.

The Richland and Ashland County Treasurers collect personal property taxes on behalf of all taxing districts within the County. The Richland and Ashland County Auditors periodically remit to the District their portion of the taxes collected with final settlement in February and August. Such collections are available to pay current period liabilities.

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

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

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

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, they are not (exclusive of advances) intended to finance current year operations. The net receivable (total receivable less amount available intended to finance the current year) is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance, and recorded as revenue, at June 30, 2000, was \$146,727 in the general fund, \$2,746 in the Classroom Facilities Maintenance special revenue fund, and \$23,660 in the debt service fund.

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 tax advance unavailable for appropriation. The District is prohibited, by law, from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year end.

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2000, consisted of taxes, accounts (billings for user charged services and student fees), and intergovernmental grants and entitlements (to the extent such grants and entitlements relate to the current fiscal year). 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:

	<u>Amounts</u>
<u>General Fund</u>	
Taxes - current and delinquent	\$1,986,911
Accounts	2,244
Due from other governments	3,450
<u>Special Revenue Funds</u>	
Taxes - current and delinquent	36,884
Due from other governments	4,700
<u>Debt Service Fund</u>	
Taxes - current and delinquent	317,046



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

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

**NOTE 8 - FIXED ASSETS**

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

	<u>Balance July 1, 1999</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2000</u>
Land/improvements	\$ 181,165	\$ 8,247	\$ - - -	\$ 189,412
Buildings/improvements	11,910,599	100,585	- - -	12,011,184
Furniture/equipment	900,738	351,003	(6,814)	1,244,927
Vehicles	<u>1,066,912</u>	<u>118,756</u>	<u>(30,402)</u>	<u>1,155,266</u>
Total	<u>\$14,059,414</u>	<u>\$578,591</u>	<u>\$(37,216)</u>	<u>\$14,600,789</u>

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

Furniture and equipment	\$136,724
Less: accumulated depreciation	<u>(59,835)</u>
Net fixed assets	<u>\$ 76,889</u>

**NOTE 9 - CHANGES IN CONTRIBUTED CAPITAL**

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

	<u>Food Service</u>
Contributed capital, July 1, 1999	\$68,378
Current contributions from other funds	<u>500</u>
Contributed capital, June 30, 2000	<u>\$68,878</u>

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

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

**NOTE 10 - LONG-TERM OBLIGATIONS**

The District has two long-term debt issues outstanding at June 30, 2000. These debt issues represent a general obligation bond and an energy conservation loan.

Payments of principal and interest relating to these liabilities are recorded as expenditures in the debt service fund. Unmatured obligations are accounted for in the general long-term obligations account group.

A. The following is a description of the District's long-term obligations outstanding as of June 30, 2000:

	<u>Interest Rates</u>	<u>Outstanding July 1, 1999</u>	<u>Retired in 2000</u>	<u>Outstanding June 30, 2000</u>
High School Building Bond	6.75%	\$2,740,000	\$(100,000)	\$2,640,000
Energy Conservation Loans	4.50%	<u>221,880</u>	<u>(21,877)</u>	<u>200,003</u>
Total		<u>\$2,961,880</u>	<u>\$(121,877)</u>	<u>\$2,840,003</u>

B. The following is a description of the District's future annual requirements to amortize the debt outstanding:

<u>Fiscal Year</u>	<u>Principal on G.O. Bond/ Energy Conservation Loans</u>	<u>Interest on G.O. Bond/ Energy Conservation Loans</u>	<u>Total</u>
2001	\$ 138,077	\$ 180,668	\$ 318,745
2002	148,983	171,451	320,434
2003	135,074	162,546	297,620
2004	151,215	153,591	304,806
2005	162,408	143,753	306,161
2006 - 2010	924,246	547,732	1,471,978
2011 - 2015	<u>1,180,000</u>	<u>204,820</u>	<u>1,384,820</u>
	<u>\$2,840,003</u>	<u>\$1,564,561</u>	<u>\$4,404,564</u>

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

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

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

C. During the year ended June 30, 2000, the following changes occurred in the liabilities reported in the general long-term obligations account group. Compensated absences are presented net of actual increases and decreases due to practicality of determining these values. Compensated absences and the pension obligation will be paid from the fund in which the employee was paid.

	<u>Balance</u> <u>July 1, 1999</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2000</u>
Compensated absences	\$ 351,108	\$ - - -	\$ (62,959)	\$ 288,149
Pension obligation payable	48,916	50,671	(48,916)	50,671
General obligation bonds payable	2,740,000	- - -	(100,000)	2,640,000
Energy conservation loans	<u>221,880</u>	<u>- - -</u>	<u>(21,877)</u>	<u>200,003</u>
Total	<u>\$3,361,904</u>	<u>\$50,671</u>	<u>\$(233,752)</u>	<u>\$3,178,823</u>

**D. Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The effects of these debt limitations at June 30, 2000 are a voted debt margin of \$5,136,231 (including available funds of \$345,423) and an unvoted debt margin of \$82,565.

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

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

**NOTE 11 - STATE BUILDING LOAN**

During fiscal year 1990, the District received a state building grant/loan to provide for the construction of classroom facilities. The District passed a half mill property tax levy with the proceeds of the levy going to repay its portion of the state loan. The unpaid balance on the state building loan is \$4,193,120 at June 30, 2000. The District and the State has determined that it is not probable that the State Facilities Loan will be repaid due to the new legislation, and as such, no outstanding liability is recorded in the financial statements.

New legislation now allows the District to use the proceeds of the levy for maintenance of the new facilities. The District may use the proceeds of the levy for maintenance of the new facilities provided the District's adjusted valuation per pupil is less than the state-wide median adjusted valuation per pupil. In any year in which the District's per pupil valuation exceeds the state-wide valuation median, half of the proceeds of the levy must be used to repay the loan. During fiscal year 2000, the District was not required to make any principal payments on the loan.

**NOTE 12 - COMPENSATED ABSENCES**

**A. Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to 20 days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and principals do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to 240 days. Upon retirement, payment is made in full for any sick leave accumulation up to a maximum of 40 days.

**B. Life Insurance**

The District provides life insurance and accidental death and dismemberment insurance in the amount of \$20,000 for most employees through Fort Dearborn Life Assurance Company.

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

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

**NOTE 13 - 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 contracted with KMU Insurance Company for property insurance, fleet insurance, and inland marine coverage. Coverages provided by KMU Insurance Company are as follows:

Property Insurance-replacement cost (\$1,000 deductible)	\$ 21,620,928
Boiler & Machinery-repair and replacement (\$1,000 deductible)	21,620,928
Glass Insurance-repair and replacement (\$250 deductible)	unlimited
Employee Dishonesty Blanket	100,000
Fleet Insurance:	
Bodily injury & property damage	1,000,000
Medical payments	5,000
Uninsured motorists	1,000,000
Comprehensive (\$50 deductible)	actual value
Collision (\$250 deductible)	actual value

General liability is protected by the Nationwide Insurance Company, with a \$5,000,000 annual aggregate/\$1,000,000 single occurrence limit and no deductible. The bus fleet is also covered by \$2,000,000 umbrella through Nationwide Insurance Company.

**B. Workers' Compensation**

For fiscal year 2000, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 2). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the state based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund".

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

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

**NOTE 13 - RISK MANAGEMENT - (Continued)**

This “equity pooling” arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP’s selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

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

The District has elected to provide employee medical/surgical benefits through a self insurance program. The District maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. This plan provides a medical/surgical plan with a \$200 family and \$100 single deductible. A third party administrator, Anthem Benefit Administrators, Incorporated, located in Columbus, Ohio, reviews all claims which are then paid by the District. The District purchases stop-loss coverage of \$25,000 per employee and \$538,584 in the aggregate. The District pays into the self-insurance internal service fund \$556.20 family coverage or \$240.30 individual coverage per month for full-time employees and \$494.40 family coverage or \$213.60 individual coverage per month for part-time employees which represents the entire premium required. The premium is paid by the fund that pays the salary for the employee and is based on historical cost information. Dental coverage is also provided on a self-insured basis through Anthem Benefit Administrators. Premiums for this coverage are \$28.00 monthly for family and single coverage for certified employees. Premiums for non-certified and part-time employees are \$40.95 monthly for family coverage and \$16.03 monthly for single coverage. The District is responsible for payment of all claim amounts in excess of the employee payment percentages established in the plan document.

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

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

**NOTE 13 - RISK MANAGEMENT - (Continued)**

The District also provides prescription drug insurance to its employees through a self-insured program. The plan pays 80 percent of the cost of prescriptions with the employee paying 20 percent. This plan utilizes a per prescription deductible of \$4 for generic and \$8 for brand names for long-term prescriptions. The third party administrator, Anthem Benefit Administrators of Columbus, Ohio reviews the claims, which are then paid by the District. The premium for this coverage currently is included with medical monthly on a composite basis.

The claims liability of \$74,427 reported in the fund at June 30, 2000, is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims. Changes in claims activity for the past two fiscal years are as follows:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2000	\$105,548	\$698,465	\$(729,586)	\$ 74,427
1999	\$ 70,807	\$788,074	\$(753,333)	\$105,548

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

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

**NOTE 14 - SEGMENT INFORMATION - ENTERPRISE FUNDS**

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

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Total</u>
Operating revenue	\$ 300,425	\$ 1,071	\$ 301,496
Operating expenses before depreciation	401,391	1,248	402,639
Depreciation	4,744	---	4,744
Operating loss	(105,710)	(177)	(105,887)
Federal donated commodities	24,792	---	24,792
Operating grants	82,984	---	82,984
Operating transfers in	2,300	---	2,300
Operating transfers out	---	1,363	1,363
Net income (loss)	4,355	(1,539)	2,816
Net working capital	(35,666)	---	(35,666)
Total assets	88,605	---	88,605
Total liabilities	54,990	---	54,990
Total equity	33,615	---	33,615
Encumbrances outstanding at June 30	105	---	105



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

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

**NOTE 15 - DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the School Employees Retirement Board. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634, or by calling (614) 222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute 14 percent for 2000; 5.55 percent was the portion to fund pension obligations. The contribution rates are not determined actuarially, but are established by the School Employees Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The District's required contributions to SERS for the fiscal years ended June 30, 2000, 1999 and 1998 were \$161,896, \$150,964, and \$145,571, respectively; 61 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$62,922, 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 retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771, or by calling (614) 227-4090.

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

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

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$470,352, \$448,154, and \$445,154, respectively; 84 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$74,656, representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds.

**NOTE 16 - POSTEMPLOYMENT BENEFITS**

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For this fiscal year, the Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$268,773 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.

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

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

**NOTE 16 - POSTEMPLOYMENT BENEFITS - (Continued)**

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. 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 \$123,834 during the 2000 fiscal year.

**NOTE 17 - BUDGETARY BASIS OF ACCOUNTING**

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

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

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

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

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

**NOTE 17 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

(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).

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:

	<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>			
	Governmental Fund Types			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Budget basis	\$ 619,207	\$ 10,091	\$ 5,446	\$(132,693)
Net adjustment for revenue accruals	(225,728)	(8,341)	(38,001)	- - -
Net adjustment for expenditure accruals	(64,366)	(45,174)	(109)	15
Net adjustment for other financing sources (uses)	(92,738)	(13,499)	- - -	- - -
Encumbrances (budget basis)	<u>226,534</u>	<u>93,414</u>	<u>- - -</u>	<u>21,077</u>
GAAP basis	<u>\$ 462,909</u>	<u>\$ 36,491</u>	<u>\$(32,664)</u>	<u>\$(111,601)</u>

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

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

**NOTE 18 - CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

The District is involved in no 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 \$4,540,242 of school foundation support for its general fund.

In addition, the Court declared the classroom facilities program unconstitutional because, in the Court's opinion, the program had not been sufficiently funded by the State. The classroom facilities program provided a loan to build schools and furnish classrooms. As of June 30, 2000, the District had received a total of \$4,351,814 under this program.

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

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

**NOTE 18 - 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.

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

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

**NOTE 19 - STATUTORY RESERVES**

The District is required by State law to set-aside certain general fund revenue amounts, as defined by Statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2000, the reserve activity was as follows:

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Set-aside cash balance as of June 30, 1999	\$ 0	\$ 0	\$ 80,771
Current year set-aside requirement	149,087	149,087	49,696
Current year offsets	---	(38,482)	---
Qualifying disbursements	<u>(196,361)</u>	<u>(159,431)</u>	<u>---</u>
Total	<u>\$ (47,274)</u>	<u>\$ (48,826)</u>	<u>\$130,467</u>
Balance carried forward to FY 2001	<u>\$ 47,274</u>	<u>\$ 48,826</u>	<u>\$130,467</u>

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

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

Total amount restricted for budget stabilization	<u>\$130,467</u>
--	------------------

## **SUPPLEMENTAL DATA**



**CRESTVIEW LOCAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(D) CASH FEDERAL RECEIPTS	OTHER FEDERAL RECEIPTS	(D) CASH FEDERAL DISBURSEMENTS	OTHER FEDERAL DISBURSEMENTS
<b>U. S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION:</b>						
Nutrition Cluster:						
(A) (B) Food Distribution	10.550	N/A		\$25,113		\$24,792
(A) (C) National School Lunch Program	10.555	N/A	\$90,525		\$90,525	
<b>Total Nutrition Cluster</b>			<u>90,525</u>	<u>25,113</u>	<u>90,525</u>	<u>24,792</u>
<b>Total U. S. Department of Agriculture</b>			<u>90,525</u>	<u>25,113</u>	<u>90,525</u>	<u>24,792</u>
<b>U. S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION:</b>						
Title I - Local Educational Agencies	84.010	049429-C1-S1-99	20,803		47,644	
	84.010	049429-C1-S1-00	215,908		179,963	
<b>Total Title I</b>			<u>236,711</u>		<u>227,607</u>	
Title VI-B Education of the Handicapped Act	84.027	049429-6B-SF-99	11,101		25,937	
	84.027	049429-6B-SF-98P	56,005		36,274	
<b>Total Title VI-B</b>			<u>67,106</u>		<u>62,211</u>	
Eisenhower Professional Development Grant	84.281	049429-MS-S1 00	5,700		1,933	
Innovative Education Program Strategies - Chapter II	84.298	049429-C2-S1-99	0		19	
	84.298	049429-C2-S1-99C	892		892	
	84.298	049429-C2-S1-00	6,567		6,525	
<b>Total Innovative Education Program Strategies - Chapter II</b>			<u>7,459</u>		<u>7,436</u>	
Title VI-R Classroom Size Reduction Grant	84.340	049429-CR-S1 00	23,924		21,974	
<b>PASSED THROUGH THE MID-OHIO EDUCATIONAL SERVICE CENTER:</b>						
Safe and Drug-Free Schools Grants	84.186	N/A	5,705		5,705	
<b>Total U. S. Department of Education</b>			<u>346,605</u>		<u>326,866</u>	
<b>Total Federal Financial Assistance</b>			<u>\$437,130</u>	<u>\$25,113</u>	<u>\$417,391</u>	<u>\$24,792</u>

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

# TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 WORTHINGTON WOODS BOULEVARD  
SUITE B  
WORTHINGTON, OHIO 43085

TELEPHONE 614.846.1899  
FACSIMILE 614.846.2799

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

Board of Education  
Crestview Local School District  
1575 St. Rt. 96  
Ashland, Ohio 44805

We have audited the general purpose financial statements of Crestview Local School District as of and for the fiscal year ended June 30, 2000, and have issued our report thereon dated November 10, 2000. We conducted our audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether Crestview Local School District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of Crestview Local School District in a separate letter dated November 10, 2000.

Board of Education  
Crestview Local School District

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Crestview Local School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control 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. We noted other matters involving the internal control over financial reporting that we have reported to the management of Crestview Local School District in a separate letter dated November 10, 2000.

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

Trimble, Julian & Grube, Inc.  
November 10, 2000

# TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 WORTHINGTON WOODS BOULEVARD  
SUITE B  
WORTHINGTON, OHIO 43085

TELEPHONE 614.846.1899  
FACSIMILE 614.846.2799

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

Board of Education  
Crestview Local School District  
1575 St. Rt. 96  
Ashland, Ohio 44805

### Compliance

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

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

Board of Education  
Crestview Local School District

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

#### Internal Control Over Compliance

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

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

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

Trimble, Julian & Grube, Inc.  
November 10, 2000

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

**CRESTVIEW LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY  
JUNE 30, 2000**

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

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

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

**CRESTVIEW LOCAL SCHOOL DISTRICT**  
**RICHLAND COUNTY**  
**JUNE 30, 2000**

**1. SUMMARY OF AUDITOR'S RESULTS (Continued)**

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

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

None

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

None



STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

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

**CRESTVIEW LOCAL SCHOOL DISTRICT**

**RICHLAND 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 09, 2001**