

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

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

***FOR THE FISCAL YEAR ENDED
JUNE 30, 2001***

ROBIN KLENK, TREASURER



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1st Floor
Columbus, Ohio 43215

Telephone 614-466-4514
800-282-0370

Facsimile 614-728-7398

Board of Education
Wynford Local School District

We have reviewed the Independent Auditor's Report of the Wynford Local School District, Crawford County, prepared by Trimble, Julian & Grube, Inc. for the audit period July 1, 2000 through June 30, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO
Auditor of State

December 26, 2001

This Page is Intentionally Left Blank.

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD 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 and Expendable Trust Fund	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual Comparison - (Non-GAAP Budgetary Basis)	5
Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types	6
Statement of Cash Flows - All Proprietary Fund Types	7
Notes to the General Purpose Financial Statements	8 - 43
Supplemental Data	
Schedule of Expenditures of Federal Awards	44
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	45 - 46
Report on Compliance With Requirements Applicable to Its Major Federal Programs and on Internal Control Over Compliance in Accordance With <i>OMB Circular A-133</i>	47 - 48
Schedule of Findings <i>OMB Circular A-133 §.505</i>	49 - 50

This Page is Intentionally Left Blank.

TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Independent Auditor's Report

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

We have audited the accompanying general purpose financial statements of the Wynford Local School District, Crawford County, (the "District") as of and for the fiscal year ended June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Wynford Local School District, Crawford County, as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types for the fiscal year then ended in conformity with generally accepted accounting principles in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 20, 2001 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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 20, 2001

WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2001

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types		Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
ASSETS AND OTHER DEBITS										
ASSETS:										
Equity in pooled cash and cash equivalents	\$1,251,454	\$116,636	\$302,991	\$752,092	\$23,988	\$81,015	\$60,354			\$2,588,530
Cash in segregated accounts				9,143						9,143
Receivables (net of allowances of uncollectibles):										
Property taxes - current & delinquent	2,871,122		495,733							3,366,855
Accounts	2,945	295								3,240
Interfund loan receivable	8,206									8,206
Due from other governments		5,747								5,747
Prepayments	11,452					5,473				11,452
Materials and supplies inventory										5,473
Property, plant and equipment (net of accumulated depreciation where applicable)					86,516			\$14,207,791		14,294,307
OTHER DEBITS:										
Amount available in debt service fund									\$474,025	474,025
Amount to be provided for retirement of general long-term obligations									7,259,188	7,259,188
Total assets and other debits	\$4,145,179	\$122,678	\$798,724	\$761,235	\$115,977	\$81,015	\$60,354	\$14,207,791	\$7,733,213	\$28,026,166

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

WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2001

	Governmental Fund Types			Proprietary Fund Types			Fiduciary	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
LIABILITIES, EQUITY AND OTHER CREDITS										
LIABILITIES:										
Contracts payable				\$146,506						\$146,506
Contract retainage payable				9,143						9,143
Accrued wages and benefits	\$624,492	\$32,561			\$20,301				\$412,815	677,354
Compensated absences payable	30,771				12,563				44,393	456,149
Pension obligation payable	94,530	3,992			23,716					166,631
Interfund loan payable		5		8,201						8,206
Deferred revenue	1,880,553	5,747	\$324,699		1,998		\$51,543			2,212,997
Due to students										51,543
Claims payable						\$44,756				44,756
General obligation bonds payable								7,150,000		7,150,000
Judgement notes payable								115,385		115,385
Energy conservation notes payable								10,620		10,620
Total liabilities	2,630,346	42,305	324,699	163,850	58,578	44,756	51,543	7,733,213		11,049,290
EQUITY AND OTHER CREDITS:										
Investment in general fixed assets								\$14,207,791		14,207,791
Contributed capital					42,027					42,027
Retained earnings (accumulated deficit):										
unreserved					15,372	36,259				51,631
Fund balances:										
Reserved for prepayments	11,452									11,452
Reserved for debt service		302,991								302,991
Reserved for tax revenue unavailable for appropriation	990,569	171,034								1,161,603
Unreserved-undesignated	512,812	80,373		597,385			8,811			1,199,381
Total equity and other credits	1,514,833	80,373	474,025	597,385	57,399	36,259	8,811	14,207,791		16,976,876
Total liabilities, equity and other credits	\$4,145,179	\$122,678	\$798,724	\$761,235	\$115,977	\$81,015	\$60,354	\$14,207,791	\$7,733,213	\$28,026,166

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

WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Governmental Fund Types				Fiduciary Fund Type	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Revenues:						
From local sources:						
Taxes	\$2,940,069		\$502,206			\$3,442,275
Tuition.	69,947					69,947
Earnings on investments.	150,387	\$3,790		\$78,358		232,535
Extracurricular.		106,447				106,447
Other local revenues.	57,135	2,272				59,407
Donations	31,781				\$5,400	37,181
Other revenue.					3,580	3,580
Intergovernmental - State	3,475,886	160,062	51,269	47,500		3,734,717
Intergovernmental - Federal.		203,447				203,447
Total revenues	6,725,205	476,018	553,475	125,858	8,980	7,889,536
Expenditures:						
Current:						
Instruction:						
Regular	3,482,423	114,278		230,362		3,827,063
Special	424,000	184,828			1,441	610,269
Vocational	2,756					2,756
Other.	57,176					57,176
Support services:						
Pupil	475,705	56,757			3,750	536,212
Instructional staff.	283,814	15,524		50,755		350,093
Board of Education.	18,298					18,298
Administration	563,312	2,345				565,657
Fiscal.	248,003	1,295	12,461			261,759
Operations and maintenance	612,092	1,452				613,544
Pupil transportation.	678,265	662				678,927
Central	25,494	7,033				32,527
Community services	42,998	2,367			5,301	50,666
Extracurricular activities.	142,148	116,589				258,737
Facilities acquisition and construction	143,469			1,361,550		1,505,019
Debt service:						
Principal retirement	114,407		119,851			234,258
Interest and fiscal charges	1,119		352,678			353,797
Total expenditures	7,315,479	503,130	484,990	1,642,667	10,492	9,956,758
Excess (deficiency) of revenues over expenditures	(590,274)	(27,112)	68,485	(1,516,809)	(1,512)	(2,067,222)
Other financing sources (uses):						
Operating transfers in			37,632	55,000		92,632
Operating transfers out.	(97,513)					(97,513)
Proceeds from sale of fixed assets	78,219					78,219
Total other financing sources (uses).	(19,294)		37,632	55,000		73,338
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(609,568)	(27,112)	106,117	(1,461,809)	(1,512)	(1,993,884)
Fund balances, July 1	2,124,401	107,485	367,908	2,059,194	10,323	4,669,311
Fund balances, June 30	<u>\$1,514,833</u>	<u>\$80,373</u>	<u>\$474,025</u>	<u>\$597,385</u>	<u>\$8,811</u>	<u>\$2,675,427</u>

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

WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ALL GOVERNMENTAL FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	General			Special Revenue			Debt Service			Capital Projects			Total (Memorandum only)		
	Revised	Actual	Variance: Favorable (Unfavorable)	Revised	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)
	Budget			Budget											
Revenues:															
From local sources:															
Taxes.....	\$2,802,040	\$2,804,040	\$2,000		\$496,820	\$0	\$496,820	\$496,820	\$0		\$3,300,860	\$2,000	\$3,298,860	\$3,300,860	\$2,000
Tuition.....	69,904	69,947	43								69,947	43	69,904	69,947	43
Earnings on investments.....	150,280	150,387	107	\$3,607	\$3,790	\$183			\$183	\$76,014	\$78,358	\$2,344	229,901	232,535	2,634
Extracurricular.....				103,194	106,686	3,492					106,686	3,492	103,194	106,686	3,492
Other local revenues.....	57,484	57,527	43	2,272	2,272	0					59,756	43	59,799	59,756	43
Donations.....	31,760	31,781	21								31,781	21	31,760	31,781	21
Other revenue.....				47,013	59,376	12,363					47,013	12,363	47,013	59,376	12,363
Intergovernmental - State.....	3,474,017	3,476,497	2,480	41,310	41,310	0	51,269	51,269	0	47,500	47,500	0	3,614,096	3,616,576	2,480
Intergovernmental - Federal.....				262,823	262,823	0					262,823	0	262,823	262,823	0
Total revenues.....	6,585,485	6,590,179	4,694	460,219	476,257	16,038	548,089	548,089	0	123,514	125,858	2,344	7,171,307	7,740,383	23,076
Expenditures:															
Current:															
Instruction:															
Regular.....	3,465,175	3,465,175	0	113,533	113,533	0				230,362	230,362	0	3,809,070	3,809,070	0
Special.....	436,865	436,865	0	167,705	167,705	0					604,570	0	604,570	604,570	0
Vocational.....	2,756	2,756	0								2,756	0	2,756	2,756	0
Other.....	57,319	57,319	0								57,319	0	57,319	57,319	0
Support services:															
Pupil.....	473,953	473,953	0	59,382	59,382	0									
Instructional staff.....	283,799	283,799	0	16,143	16,143	0									
Board of Education.....	18,821	18,821	0												
Administration.....	574,405	574,405	0	2,406	2,406	0									
Fiscal.....	253,109	253,109	0	1,659	1,659	0	12,461	12,461	0						
Operations and maintenance.....	616,458	616,458	0	1,952	1,952	0									
Pupil transportation.....	671,183	671,183	0	659	659	0									
Central.....	25,494	25,494	0	7,033	7,033	0									
Community services.....	42,998	42,998	0												
Extracurricular activities.....	144,339	144,339	0	116,804	116,804	0									
Facilities acquisition and construction.....	258,996	258,996	0							2,198,583	2,198,583	0	2,457,579	2,457,579	0
Debt service:															
Principal retirement.....							119,851	119,851	0				119,851	119,851	0
Interest and fiscal charges.....							352,678	352,678	0				352,678	352,678	0
Total expenditures.....	7,325,670	7,325,670	0	489,644	489,644	0	484,990	484,990	0	2,479,700	2,479,700	0	10,780,004	10,780,004	0
Excess (deficiency) of revenues over expenditures.....	(740,185)	(735,491)	4,694	(29,425)	(13,387)	16,038	63,099	63,099	0	(2,356,186)	(2,353,842)	2,344	(3,062,697)	(3,039,621)	23,076
Other financing sources (uses):															
Refund of prior year's expenditures.....	26,361	26,380	19	500	500	0							26,861	26,880	19
Operating transfers in.....	74,519	74,572	53	99	104	5	37,632	37,632	0	65,293	65,610	317	177,343	177,918	375
Operating transfers out.....	(172,085)	(172,085)	0				(10,610)	(10,610)	0	0	0	0		(182,695)	0
Proceeds of sale of fixed assets.....	78,163	78,219	56										78,219	78,219	56
Total other financing sources (uses):	6,958	7,086	128	599	604	5	27,022	27,022	0	65,293	65,610	317	99,872	100,322	450
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses).....	(733,227)	(728,405)	4,822	(28,826)	(12,783)	16,043	90,121	90,121	0	(2,290,893)	(2,288,232)	2,661	(2,962,825)	(2,939,299)	23,526
Fund balances, July 1.....	1,745,801	1,745,801	0	127,886	127,886	0	212,870	212,870	0	960,021	960,021	0	3,046,578	3,046,578	0
Prior year encumbrances appropriated.....	234,058	234,058	0	1,533	1,533	0	0	0	0	1,942,940	1,942,940	0	2,178,531	2,178,531	0
Fund balances, June 30.....	\$1,246,632	\$1,251,454	\$4,822	\$100,593	\$116,636	\$16,043	\$302,991	\$302,991	\$0	\$612,068	\$614,729	\$2,661	\$2,262,284	\$2,285,810	\$23,526

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

WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Proprietary Fund Types		Total (Memorandum Only)
	Enterprise	Internal Service	
Operating revenues:			
Sales/charges for services.	\$260,886	\$693,071	\$953,957
Total operating revenues.	<u>260,886</u>	<u>693,071</u>	<u>953,957</u>
Operating expenses:			
Personal services	172,386	106,248	278,634
Contract services	1,978		1,978
Materials and supplies.	175,505		175,505
Depreciation.	8,378		8,378
Other	748		748
Claims expense		620,401	620,401
Total operating expenses.	<u>358,995</u>	<u>726,649</u>	<u>1,085,644</u>
Operating loss	<u>(98,109)</u>	<u>(33,578)</u>	<u>(131,687)</u>
Nonoperating revenues (expenses):			
Operating grants.	77,046		77,046
Loss on sale of fixed assets	(41,627)		(41,627)
Federal commodities	16,321		16,321
Interest revenue	461		461
Total nonoperating revenues (expenses).	<u>52,201</u>		<u>52,201</u>
Net loss before operating transfers.	(45,908)	(33,578)	(79,486)
Operating transfers in.	<u>4,881</u>		<u>4,881</u>
Net loss	(41,027)	(33,578)	(74,605)
Retained earnings, July 1.	<u>56,399</u>	<u>69,837</u>	<u>126,236</u>
Retained earnings, June 30	<u>\$15,372</u>	<u>\$36,259</u>	<u>\$51,631</u>

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

WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO
STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Proprietary Fund Types		Total (Memorandum Only)
	Enterprise	Internal Service	
Cash flows from operating activities:			
Cash received from sales/service charges	\$260,886	\$693,071	\$953,957
Cash payments for personal services.	(163,158)	(106,248)	(269,406)
Cash payments for contract services	(1,978)		(1,978)
Cash payments for materials and supplies	(159,741)		(159,741)
Cash payments for claims expenses		(607,230)	(607,230)
Cash payments for other expenses	(748)		(748)
	(64,739)	(20,407)	(85,146)
Net cash used in operating activities			
Cash flows from noncapital financing activities:			
Cash received from operating grants.	77,046		77,046
Cash received from operating transfer in.	4,881		4,881
	81,927		81,927
Net cash provided by noncapital financing activities.			
Cash flows from investing activities:			
Interest received.	461		461
	461		461
Net cash provided by investing activities.			
Net increase (decrease) in cash and cash equivalents.	17,649	(20,407)	(2,758)
Cash and cash equivalents at beginning of year.	6,339	101,422	107,761
Cash and cash equivalents at end of year	\$23,988	\$81,015	\$105,003
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss.	(\$98,109)	(\$33,578)	(\$131,687)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	8,378		8,378
Federal donated commodities	16,321		16,321
Changes in assets and liabilities:			
Increase in materials and supplies inventory	(17)		(17)
Increase in accrued wages and benefits	6,914		6,914
Increase in compensated absences payable	883		883
Increase in pension obligation payable	1,431		1,431
Increase in claims payable		13,171	13,171
Decrease in deferred revenue	(540)		(540)
	(\$64,739)	(\$20,407)	(\$85,146)
Net cash used in operating activities			
Noncash Investing, Capital and Financing Activities:			
Contributed capital:			
Contributions from other funds	\$42,027		

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

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

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

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

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

The District is the 463rd largest by enrollment among 682 public and community school districts in the state and 3rd largest in Crawford County. It currently operates a comprehensive elementary, middle and high school. The District is staffed by 87 certified and 54 non-certified members.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The general purpose financial statements (GPFS) of the District have been prepared in conformity with 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 prior to November 30, 1989 to its proprietary activities unless those pronouncements conflict with or contradict GASB pronouncements. The District's significant accounting policies are described below.

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

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

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

A. Reporting Entity

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

A second criterion used in evaluating potential component units is the scope of public service. Application of 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 its relationship with the District:

JOINTLY GOVERNED ORGANIZATIONS

Pioneer Career and Technology Center (PCTC)

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

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

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

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

Heartland Council of Governments (the COG)

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

PUBLIC ENTITY RISK POOL

Ohio School Boards Association Workers' Compensation Group Rating Plan

The District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP) was established through the Ohio School Boards Association (OSBA) as a group purchasing pool.

The GRP's business and affairs are conducted by a three-member Board of Directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the GRP. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

B. Fund Accounting

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

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

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

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

GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

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

PROPRIETARY FUNDS

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

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

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

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include an expendable trust fund and an agency fund. The expendable trust fund is accounted for in the same manner as governmental funds. The agency fund is custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency fund is presented on a budget basis, with note disclosure, regarding items, which, in other fund types, would be subject to accrual. The agency fund had no accruals at June 30, 2001, which, in other fund types, would be recognized in the combined balance sheet.

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

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

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

ACCOUNT GROUPS

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

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

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

C. Measurement Focus/Basis of Accounting

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

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

The modified accrual basis of accounting is followed for governmental funds and the expendable trust fund. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period, which for the District is 60 days after the June 30 year-end. Revenues accrued at the end of the year include taxes, (to the extent they are intended to finance the current fiscal year), interest, and accounts (student fees and tuition). Current property taxes measurable as of June 30, 2001, and which are intended to finance fiscal 2002 operations, have been recorded as deferred revenues.

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

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

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

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

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

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

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

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

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

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

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

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

D. Budgets

The District is required by State statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2001, is as follows:

1. Prior to January 15 of the preceding year, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the board-adopted budget is filed with the Crawford County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final Amended Certificate issued for fiscal year 2001.
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.

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

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

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

5. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. 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 by the Board during fiscal year 2001.
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 by District funds during the normal course of operations, for purchase orders and contract related expenditures. An encumbrance is a reserve on the available spending authority due to a commitment for a future expenditure and does not represent a liability. For governmental fund types, encumbrances outstanding at year-end appear as a reserve to the fund balance on a GAAP basis and as the equivalent of expenditures on a non-GAAP budgetary basis in order to demonstrate legal compliance. Note 16 provides a reconciliation of the budgetary and GAAP basis of accounting and Note 12 discloses encumbrances outstanding for the enterprise funds at fiscal year-end.

E. Cash and Investments

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

During fiscal year 2001, investments were limited to STAR Ohio and certificates of deposit. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

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

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

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

The District had invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2001. 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, 2001.

Under existing Ohio Statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during fiscal year 2001, amounted to \$150,387, which includes \$56,238 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 an original maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents.

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

F. Interfund Transactions

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

1. Transfers of resources from one fund to another fund. The resources transferred are to be expected for operations by the receiving fund and are recorded as operating transfers, with the exception of agency funds, which do not show transfers of resources as operating transfers.
2. Reimbursements from one fund to another are treated as expenditures/expenses in the reimbursing fund and a reduction in expenditures/expenses in the reimbursed fund. Quasi-external transactions are accounted for as revenues, expenditures or expenses.
3. Short-term interfund loans and accrued interfund reimbursements and accrued operating transfers are reflected as "interfund loans receivable or payable". The District had short-term interfund loans receivable and payable at June 30, 2001.

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

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

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

See Note 5 for an analysis of interfund transactions.

G. Inventory

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds, which indicates that it does not constitute available expendable resources even though it is a component of net current assets. At June 30, 2001, there were no significant inventory balances in the governmental funds. Inventories of proprietary funds consist of donated food, purchased food and supplies, and are expensed when used.

H. Property, Plant, and Equipment; and Depreciation

1. General Fixed Assets Account Group

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

2. Proprietary Funds

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

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

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

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

I. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis and entitlement, are recorded as receivables and revenues when measurable and available.

Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

The District currently participates in several State and Federal programs, categorized as follows:

Entitlements

General Fund

State Foundation Program
State Property Tax Relief

Special Revenue Funds

Education Management Information Systems
Summer Intervention

Non-Reimbursable Grants

Special Revenue Funds

Disadvantaged Pupil Impact Aid
Title VI-B
Title I
Title VI
Drug-Free Schools
Teacher Development
Network Connectivity
Ohio Reads
Safe School Help Line
Class Size Reduction
Eisenhower
SchoolNet Professional Development
Prevention, Retention and Contingency Grant
Extended Learning Opportunity

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

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

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

Non-Reimbursable Grants - (Continued)

Capital Projects Funds

School Emergency Building Repair
Classroom Facilities
SchoolNet

Reimbursable Grants

General Fund

Driver Education
School Bus Purchases

Special Revenue Fund

Telecommunications Act Grant (E-Rate)

Enterprise Funds

National School Lunch Program
Government Donated Commodities
National School Breakfast Program

Grants and entitlements amounted to approximately 45% of the District's operating revenue during the 2001 fiscal year.

J. Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds, regardless of whether they will be liquidated with current resources; however, claims and judgments, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Bonds, capital leases, and long-term notes are reported as a liability of the general long-term obligations account group until due.

K. 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.

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

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

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

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

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

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

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

L. Fund Equity

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

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

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

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

M. 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.

N. 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 year-end, because prepayment is not available to finance future governmental fund expenditures, the fund balance is reserved by an amount equal to the carrying value of the asset.

O. Estimates

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

P. Memorandum Only - Total Columns

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

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

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principle

GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions," was implemented during fiscal 2001. This statement pertains to the financial reporting of certain types of revenue received by the District for which no value is given in return, including derived tax revenues, imposed nonexchange transactions, government-mandated nonexchange transactions, and voluntary nonexchange transactions. The adoption of this statement had no effect on fund balances/retained earnings as previously reported by the District at June 30, 2000.

B. Deficit Fund Balances

Fund balances at June 30, 2001, included the following individual deficits:

	<u>Fund Deficit</u>
<u>Special Revenue Funds</u>	
Teacher Development	\$ 8
Disadvantaged Pupil Impact Aid	1,029
Summer Intervention	5
Title VI-B	6,160
Title I	17,378
Title VI	894
Drug-Free Grant	8
Class Size Reduction	4,452
 <u>Capital Projects Fund</u>	
Classroom Facilities	8,201

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

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

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

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

The deficit fund balance in the Classroom Facilities capital projects fund is due to the reporting of an “advance in” from another fund as an interfund loan payable rather than as an “other financing source”. This deficit will be eliminated by intergovernmental revenues and other resources not recognized at June 30.

C. Statutory Noncompliance

The following fund had appropriations in excess of estimated resources for the fiscal year ended June 30, 2001 in noncompliance with Ohio Revised Code Section 5705.39:

<u>Fund Type/Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
<u>Special Revenue Fund Type:</u>			
Prevention, Retention and Contingency Grant	\$ 47,008	\$ 57,782	\$ 10,774

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

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

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

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, Notes, Debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and that the term of the agreement must not exceed 30 days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 25% of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt instruments rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

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

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

Cash on Hand: At fiscal year-end, the District had \$1,135 in undeposited cash on hand, which is included on the combined balance sheet of the District as part of "Equity in Pooled Cash and Cash Equivalents".

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

Deposits: At fiscal year-end, the carrying amount of the District's deposits, including nonnegotiable certificates of deposit, was \$652,095 and the bank balance, including nonnegotiable certificates of deposit, was \$816,579. Of the bank balance:

1. \$291,972 was covered by federal depository insurance; and
2. \$524,607 was uninsured and unregistered as defined by GASB although it was secured by collateral held by third party trustees pursuant to Section 135.181, Ohio Revised Code, in collateralized pools securing all public funds in depository institutions; these securities not being in the name of the District. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the District to a successful claim by the FDIC.

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

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

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

Investments: The District's investments are categorized below to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered or securities held by the District. Category 2 includes uninsured and unregistered investments for which securities are held by the counterpart's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterpart or by its trust department, but not in the District's name. At June 30, 2001, the District's had an investment of \$1,944,443 in STAR Ohio, which is the State Treasurer's Investment Pool. STAR Ohio is not categorized because it is not evidenced by securities that exist in physical or book entry form.

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

	Cash and Cash Equivalents/ Deposits	Investments
GASB Statement No. 9	\$ 2,597,673	\$ 0
Investments of the cash management pool:		
Investment in STAR Ohio	(1,944,443)	1,944,443
Cash on hand	(1,135)	---
GASB Statement No. 3	\$ 652,095	\$1,944,443

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

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

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund balances at June 30, 2001, consist of the following individual interfund loans receivable and payable:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$8,206	\$ - - -
<u>Special Revenue Fund</u>		
PRC Grant	- - -	5
<u>Capital Projects Fund</u>		
Classroom Facilities	<u>- - -</u>	<u>8,201</u>
Total	<u>\$8,206</u>	<u>\$8,206</u>

B. The following is a summarized breakdown of the District's operating transfers for fiscal year 2001:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ - - -	\$ 97,513
<u>Debt Service Fund</u>		
Bond Retirement	37,632	- - -
<u>Capital Projects Fund</u>		
Permanent Improvement	55,000	- - -
<u>Enterprise Fund</u>		
Food Service	<u>4,881</u>	<u>- - -</u>
Total	<u>\$ 97,513</u>	<u>\$ 97,513</u>

NOTE 6 - PROPERTY TAXES

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

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

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

NOTE 6 - PROPERTY TAXES - (Continued)

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

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

Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. Tangible personal property assessments are 25% of true value. The assessed value upon which the 2000 taxes were collected was \$102,835,159. Agricultural/residential and public utility/minerals real estate represented 71.03% or \$73,044,720 of this total; commercial and industrial real estate represented 8.66% or \$8,908,200 of this total, public utility tangible represented 7.83% or \$8,049,130 of this total and general tangible property represented 12.48% or \$12,833,109 of this total. The voted general tax rate at the fiscal year ended June 30, 2001, was \$45.70 per \$1,000.00 of assessed valuation for operations and \$4.75 per \$1,000.00 of assessed valuation for debt service.

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

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

The Crawford and Wyandot County Treasurers collect property tax on behalf of the District. The County Auditors periodically remits to the District its portions of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2001, are available to finance fiscal year 2002 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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

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

NOTE 6 - PROPERTY TAXES - (Continued)

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property, and public utility taxes, which became measurable as of June 30, 2001. Although total property tax collections for the next fiscal year are measurable, they are not (exclusive of advances) intended to finance current year operations. The net receivable (total receivable less amount available intended to finance the current year) is therefore offset by a credit to deferred revenue. The amount available as an advance at June 30, 2001, was \$990,569 in the general fund and \$171,034 in the debt service fund.

Taxes available for advance and recognized as revenue, but not received by the District prior to June 30, 2001, are reflected as a reservation of fund balance for future appropriations. The District is prohibited, by law, from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to fiscal year-end.

NOTE 7 - RECEIVABLES

Receivables at June 30, 2001, consisted of taxes, accounts (billings for user charged services and student fees), interfund loans, and intergovernmental grants and entitlements (to the extent such grants and entitlements relate to the current fiscal year). Intergovernmental receivables are presented as “due from other governments” on the combined balance sheet. All receivables are considered collectible in full, due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of Federal funds.

A summary of the principal items of receivables follows:

	<u>Amounts</u>
<u>General Funds</u>	
Taxes - current & delinquent	\$2,871,122
Accounts	2,945
Interfund loans	8,206
 <u>Special Revenue Funds</u>	
Due from other governments	5,747
 <u>Debt Service Fund</u>	
Taxes - current & delinquent	495,733

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

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

NOTE 8 - FIXED ASSETS

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

	Balance <u>July 1, 2000</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>June 30, 2001</u>
Land/improvements	\$ 335,305	\$ 168,954	\$ (17,138)	\$ 487,121
Buildings	3,432,156	7,438,204	(93,164)	10,777,196
Furniture/equipment	1,663,145	520,139	(201,263)	1,982,021
Vehicles	903,283	153,900	(95,730)	961,453
Construction in progress	<u>6,202,756</u>	<u>1,033,343</u>	<u>(7,236,099)</u>	<u>0</u>
Totals	<u>\$12,536,645</u>	<u>\$9,314,540</u>	<u>\$(7,643,394)</u>	<u>\$14,207,791</u>

A summary of proprietary fixed assets at June 30, 2001, follows:

Building	\$ 5,770
Furniture/equipment	107,884
Vehicles	8,879
Less: accumulated depreciation	<u>(36,017)</u>
Net fixed assets - proprietary fund	<u>\$ 86,516</u>

NOTE 9 - CONTRIBUTED CAPITAL

Changes in contributed capital for the year ended June 30, 2001, are as follows:

	<u>Food Service</u>
Contributed capital, July 1, 2000	\$ 0
Current contributions from other funds	<u>42,027</u>
Contributed capital, June 30, 2001	<u>\$42,027</u>

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

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

NOTE 10 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In prior years, the District entered into a capital lease for the acquisition of one modular unit.

The terms of the lease agreement provide an option to purchase the modular unit at lease end. The lease meets the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital lease payments have been reclassified and are reflected as debt service in the Combined Financial Statements for the Governmental Funds. These expenditures are reflected as program/function expenditures on a budgetary basis. General fixed assets acquired by lease have been capitalized in the general fixed asset account group in an amount equal to the present value of the future minimum lease payments as of the date of their inception. A corresponding liability was recorded in the general long-term obligation account group. The final principal payments in the 2001 fiscal year totaled \$114,407. This amount is reflected as debt service principal retirement in the general fund. The District has no outstanding capital lease obligations at June 30, 2001.

NOTE 11 - LONG-TERM OBLIGATIONS

A. During the year ended June 30, 2001, the following changes occurred in liabilities reported in the general long-term obligation account group.

	<u>Balance</u> <u>July 1, 2000</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2001</u>
Compensated Absences	\$ 393,491	\$ 81,182	\$ (61,858)	\$ 412,815
Pension Obligation Payable	49,335	44,393	(49,335)	44,393
General Obligation Bonds	7,240,000	---	(90,000)	7,150,000
Judgement Note	134,615	---	(19,230)	115,385
Energy Conservation Note	21,241	---	(10,621)	10,620
Capital Lease Obligation	<u>114,407</u>	<u>---</u>	<u>(114,407)</u>	<u>0</u>
Total Long-Term Obligations	<u>\$7,953,089</u>	<u>\$125,575</u>	<u>\$(345,451)</u>	<u>\$7,733,213</u>

The capital lease was paid from the general fund. Compensated absences and the pension obligation will be paid from the fund from which the employees' salaries are paid.

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

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

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

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

1. General Obligation Bonds Payable

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

2. Judgement Note

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

3. Energy Conservation Note

On August 30, 1991, the District issued \$106,207 in an unvoted general obligation note for the purpose of providing energy conservation measures for the District, under the authority of Ohio Revised Code sections 133.06(G) and 3313.372. The interest rate is 6.50%. The note was issued for a ten-year period with final maturity in fiscal year 2002. The note will be retired from the debt service fund.

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

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

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal on Bonds/Notes</u>	<u>Interest on Bonds/Notes</u>	<u>Total</u>
2002	\$ 134,850	\$ 347,491	\$ 482,341
2003	134,231	342,090	476,321
2004	144,231	336,588	480,819
2005	159,231	330,503	489,734
2006	169,231	323,844	493,075
2007 - 2011	1,014,231	1,501,535	2,515,766
2012 - 2016	1,490,000	1,227,182	2,717,182
2017 - 2021	2,235,000	739,992	2,974,992
2022 - 2024	<u>1,795,000</u>	<u>135,403</u>	<u>1,930,403</u>
Total	<u>\$7,276,005</u>	<u>\$5,284,628</u>	<u>\$12,560,633</u>

D. Legal Debt Margin

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

The effects of these debt limitations at June 30, 2001, are a voted debt margin of \$2,579,189 (including available funds of \$474,025) and an unvoted debt margin of \$102,835.

NOTE 12 - SEGMENT INFORMATION - ENTERPRISE FUNDS

The District maintains one enterprise fund, which provides lunchroom/cafeteria services, therefore, segment information for the year ended June 30, 2001, is not presented. The enterprise fund had no encumbrances outstanding at June 30, 2001.

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

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing, multiple-employer defined benefit pension plan 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% of their annual covered salary and the District is required to contribute 14% for 2001; 4.2% 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, 2001, 2000 and 1999 were \$128,010, \$119,007, and \$114,567, respectively; 45.12% has been contributed for fiscal year 2001, and 100% for the fiscal years 2000 and 1999. \$70,248, representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds and the general long-term obligations account group.

B. State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing, multiple-employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771, or by calling (614) 227-4090.

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

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan members are required to contribute 9.3% of their annual covered salary and the District is required to contribute 14%; 9.5% was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's required contributions to STRS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$474,677, \$453,949, and \$426,886, respectively; 83.27% has been contributed or fiscal year 2001, and 100% for the fiscal years 2000 and 1999. \$79,380, represents the unpaid contribution for fiscal year 2001, and is recorded as a liability within the respective funds.

C. Social Security Systems

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

NOTE 14 - POSTEMPLOYMENT BENEFITS

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. For this fiscal year, the Board allocated employer contributions equal to 4.5% of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$152,575 during fiscal year 2001.

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

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

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$3.419 billion at June 30, 2000 (the latest information available). For the year ended June 30, 2000 (the latest information available), net health care costs paid by STRS were \$283.137 million and STRS had 99,011 eligible benefit recipients.

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

For this fiscal year, employer contributions to fund health care benefits were 9.8% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14% 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% of annual health care expenses. Expenses for health care at June 30, 2000 (the latest information available), were \$140.7 million and the target level was \$211.0 million. At June 30, 2000 (the latest information available), SERS had net assets available for payment of health care benefits of \$252.3 million and SERS had approximately 50,000 participants receiving health care benefits. For the District, the amount to fund health care benefits, including surcharge, equaled \$109,353 during the 2001 fiscal year.

NOTE 15 - COMPENSATED ABSENCES

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

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

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

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

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

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

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

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

All Governmental Fund Types and Expendable Trust Fund

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Budget basis	\$(728,405)	\$(12,783)	\$ 90,121	\$(2,288,232)
Net adjustment for revenue accruals	135,026	(239)	5,386	---
Net adjustment for expenditure accruals	10,191	(13,486)	---	690,527
Net adjustment for other financing sources (uses)	(26,380)	(604)	10,610	(10,610)
Encumbrances (budget basis)	<u>---</u>	<u>---</u>	<u>---</u>	<u>146,506</u>
GAAP basis	<u>\$(609,568)</u>	<u>\$(27,112)</u>	<u>\$106,117</u>	<u>\$(1,461,809)</u>

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

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

NOTE 17 - RISK MANAGEMENT

A. Property, Fleet, and Liability Insurance

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2001, the District's contracted with various insurance companies for property and fleet insurance, liability insurance, and inland marine coverage. Coverage provided by these insurance companies is as follows:

<u>Type of Coverage</u>	<u>Liability Limit</u>
Building and Contents-replacement cost (\$500 deductible)	\$20,254,448
Boiler and Machinery (\$500 deductible)	20,254,448
Mobile Radio, Computer, Audio Visual & Music Equipment (\$100 deductible)	624,261
Automobile Liability (\$500 deductible)	1,000,000
Uninsured Motorists	1,000,000
General Liability	
Per occurrence	2,000,000
Per year	5,000,000
Umbrella Policy	1,000,000

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

B. Worker's Compensation

For fiscal year 2001, the District participated in the GRP, an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP.

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

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

NOTE 17 - RISK MANAGEMENT - (Continued)

C. Employee Group Life, Health, and Dental Insurance

The District maintains a self-insurance health plan for its employees including life, health, and dental coverage. The plan is administered by Executive and Employee Benefit Plan, Inc. of Columbus, Ohio. The claims liability of \$44,756 reported in the internal service fund at June 30, 2001, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims. Changes in claims activity for the past two fiscal years are as follows:

<u>Fiscal Year</u>	<u>Beginning of Year</u>	<u>Claims</u>	<u>Payments</u>	<u>End of Year</u>
2001	\$ 31,585	\$620,401	\$607,230	\$44,756
2000	124,634	459,649	552,698	31,585

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, 2001.

B. Litigation

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

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

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

NOTE 18 - CONTINGENCIES - (Continued)

C. State School Funding Decision

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

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006. On November 20, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

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

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of November 20, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

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

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

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

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

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, 2001, 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, 2000	\$ (60,647)	\$(259,372)	\$ 107,945
Current year set-aside requirement	163,315	163,315	---
Elimination of budget stabilization reserve	---	---	(107,945)
Qualifying disbursements	<u>(139,289)</u>	<u>(524,699)</u>	<u>---</u>
 Total	 <u>\$ (36,621)</u>	 <u>\$(620,756)</u>	 <u>\$ 0</u>
Cash balance carried forward to FY 2002	<u>\$ (36,621)</u>	<u>\$(620,756)</u>	<u>\$ 0</u>

Effective April 10, 2001, Am. Sub. Senate Bill 345 amended ORC Section 5705.29 effectively eliminating the requirement for the District to establish and maintain a budget stabilization reserve. Prior to June 30, 2001, the School Board passed a resolution transferring these funds to the general fund. The District expended these funds prior to June 30, 2001 for purchases which are allowable expenses under Am. Sub. Senate Bill 345. The District is still required by state law to maintain the textbook reserve and capital acquisition reserve.

The District had offsets and qualifying disbursements during the year that reduced the set-aside requirements of future years.

This Page is Intentionally Left Blank.

SUPPLEMENTAL DATA

**WYNFORD LOCAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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
U. S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION:						
Nutrition Cluster:						
(A) (B) Food Distribution	10.550	N/A		\$12,289		\$16,321
(A) (C) School Breakfast Program	10.553	46524-05-PU 2001	\$8,108		\$8,108	
(A) (C) School Breakfast Program	10.553	46524-05-PU 2000	609		609	
(A) (C) National School Lunch Program	10.555	46524-LL-P1 2001	44,384		44,384	
(A) (C) National School Lunch Program	10.555	46524-LL-P1 2000	5,351		5,351	
(A) (C) National School Lunch Program	10.555	46524-LL-P4 2001	13,611		13,611	
(A) (C) National School Lunch Program	10.555	46524-LL-P4 2000	2,079		2,079	
Total U. S. Department of Agriculture and Nutrition Cluster			<u>74,142</u>	<u>12,289</u>	<u>74,142</u>	<u>16,321</u>
U. S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION:						
Title I	84.010	46524-C1-S1 2001	86,188		86,188	
Grant to States - Title VI-B	84.027	46524-6B-SF 2001 P	74,749		68,710	
Grant to States - Title VI-B	84.027	46524-6B-SF 2000 P	0		4,413	
Total Title VI-B			<u>74,749</u>		<u>73,123</u>	
Drug-Free Schools	84.186	46524-DR-S1 2001	4,520		4,520	
Eisenhower Professional Development Grant	84.281	46524-MS-S1 2001	4,580		3,862	
Eisenhower Professional Development Grant	84.281	46524-MS-S1 2000	947		2,177	
Total Eisenhower Professional Development Grant			<u>5,527</u>		<u>6,039</u>	
Title II	84.298	46524-C2-S1 2001	5,394		5,394	
Title VI-R	84.340	46524-CR-S1 2001	23,738		23,738	
Title VI-R	84.340	46524-CR-S1 2000	3,331		3,459	
Total Title VI-R			<u>27,069</u>		<u>27,197</u>	
Total U. S. Department of Education			<u>203,447</u>		<u>202,461</u>	
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED THROUGH THE OHIO DEPARTMENT OF JOB AND FAMILY SERVICES:						
(E) Prevention, Retention and Contingency Grant	93.558	N/A	59,376		59,376	
Total U. S. Department of Health and Human Services			<u>59,376</u>		<u>59,376</u>	
Total Federal Financial Assistance			<u>\$336,965</u>	<u>\$12,289</u>	<u>\$335,979</u>	<u>\$16,321</u>

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

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

TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

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

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

We have audited the general purpose financial statements of Wynford Local School District as of and for the fiscal year ended June 30, 2001, and have issued our report thereon dated November 20, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Wynford Local School District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of general purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2001-WLSD-001. We also noted certain immaterial instances of noncompliance that we have reported to the management of Wynford Local School District in a separate letter dated November 20, 2001.

Board of Education
Wynford Local School District

Internal Control Over Financial Reporting

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

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

Trimble, Julian & Grube, Inc.
November 20, 2001

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 Its Major Federal Programs and on Internal Control Over Compliance in Accordance With *OMB Circular A-133*

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

Compliance

We have audited the compliance of Wynford Local School District with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal programs for the fiscal year ended June 30, 2001. Wynford Local School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs are the responsibility of Wynford Local School District's management. Our responsibility is to express an opinion on Wynford Local School District's compliance based on our audit.

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

Board of Education
Wynford Local School District

In our opinion, Wynford Local School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the fiscal year ended June 30, 2001.

Internal Control Over Compliance

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

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

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

Trimble, Julian & Grube, Inc.
November 20, 2001

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY
JUNE 30, 2001**

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

1. SUMMARY OF AUDITOR'S RESULTS
--

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

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY
JUNE 30, 2001**

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

1. SUMMARY OF AUDITOR'S RESULTS (Continued)		
<i>(d)(1)(vii)</i>	Major Programs:	Nutrition Cluster: Food Distribution; CFDA #10.550, School Breakfast Program; CFDA #10.553, National School Lunch Program; CFDA #10.555; Title I; CFDA #84.010
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

Finding Number	2001-WLSD-001
----------------	---------------

Ohio Revised Code Section 5705.39 in part requires that the total appropriation from each fund should not exceed total estimated resources.

It was noted during the audit that the District had appropriations exceeding estimated resources in the following fund:

<u>Fund Type/Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
<u>Special Revenue Fund Type:</u>			
Prevention, Retention and Contingency Grant	\$ 47,008	\$ 57,782	\$ 10,774

With appropriations exceeding estimated resources, the District is spending monies that are not lawfully appropriated for that fund's purposes and thus could result in a fund deficit, or spending of another fund's monies.

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

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

WYNFORD LOCAL SCHOOL DISTRICT

CRAWFORD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 8, 2002**