

CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
ANNUAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004



**Auditor of State
Betty Montgomery**

Board of Trustees
Crooksville Exempted Village School District
91 S. Buckeye Street
Crooksville, Ohio 43731

We have reviewed the Independent Auditor's Report of the Crooksville Exempted Village School District, Perry County, prepared by Wolfe, Wilson, & Phillips, Inc., for the audit period July 1, 2003 to June 30, 2004. 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 Crooksville Exempted Village School District is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

December 13, 2004

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**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
PERRY COUNTY**

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**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
PERRY COUNTY**

**ELECTED OFFICIALS
AS OF JUNE 30, 2004**

| <u>Board of Education</u> | <u>Title</u> | <u>Term of Office</u> |
|----------------------------------|---------------------|------------------------------|
| Kevin Weaver (A) | President | 1/1/04-12/31/07 |
| Troy Adams | Vice President | 1/1/04-12/31/07 |
| Douglas Cannon | Member | 1/1/02-12/31/05 |
| Lou Ann Holcomb | Member | 1/1/02-12/31/05 |
| Kenneth Browning | Member | 1/1/02-12/31/05 |

Statutory Legal Counsel

Joseph Flautt
Prosecuting Attorney
110 N. Main Street
New Lexington, Ohio 43764

Official Address

Crooksville Exempted Village School District
91 S. Buckeye Street
Crooksville, Ohio 43731

(A) \$20,000 Surety Bond with State Automobile Mutual Insurance Company.

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
PERRY COUNTY**

**ADMINISTRATIVE PERSONNEL
AS OF JUNE 30, 2004**

| Name | Title | Contract Period | Surety | Amount | Period |
|---------------------|----------------|------------------------|---------------|---------------|--------------------|
| Michael Hankinson | Treasurer | 1/15/02-1/15/06 | (A) | \$ 50,000 | 1/15/02 to 1/15/06 |
| L. Jeffrey Childers | Superintendent | 8/1/02-7/31/07 | (A) | \$ 20,000 | 8/1/02 to 7/31/07 |

(A) State Automobile Mutual Insurance Company

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
PERRY COUNTY**

INDEX OF FUNDS

GOVERNMENTAL FUND TYPES:

General Fund Type:

·General Fund

Special Revenue Fund Type:

·Public School Support Fund
·Venture Capital Grant Fund
·K 8 Classroom Facilities Maintenance Fund
·District Managed Activity Fund
·Schoolnet Professional Development Fund
·Public School Preschool Grant Fund
·Education Management Information System Fund
·Disadvantaged Pupil Impact Aid Fund
·Onenet Ohio Program Grant Fund
·Ohio Reads Grant Fund
·Summer School Subsidy Fund
·Eisenhower Math and Science Fund
·Title VI-B Fund – Special Education: Assistance to States for Handicapped Children
·Title I Fund – Special Education Needs of Disadvantaged Children
·Title VI Fund – Consolidation of Federal Programs for Elementary and Secondary Education
·Handicapped Preschool Grant Fund
·Continuous Improvement Fund
·Title VI-R Classroom Size Reduction Fund
·Reading First Grant Fund
·Drug Free Schools Fund

Debt Service Fund Type:

· Bond Retirement Fund

Capital Projects Fund Type:

·OSFC Construction Project Fund
·School Net Fund
·Technology Equity Grant Fund

PROPRIETARY FUND TYPES:

Enterprise Fund Type:

·Food Service Fund
·Uniform School Supplies Fund

Internal Service Fund Type:

·Self Insurance Fund

FIDUCIARY FUND TYPES:

Trust Fund Type:

· Special Trust Fund

Agency Fund Type:

·Student Managed Activity Fund

WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701

INDEPENDENT AUDITORS' REPORT

Board of Education
Crooksville Exempted Village School District
Crooksville, Ohio

We have audited the accompanying financial statements of the Crooksville Exempted Village School District as of and for the year ended June 30, 2004, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates, if any, made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Ohio Administrative Code Section 117-2-03B and ORC 117.38 requires the school district to prepare its annual financial report in accordance with generally accepted accounting principles. However, as discussed in Note 1, the school district prepares its financial statements on the cash basis of accounting formerly prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles. The accompanying financial statements omit assets, liabilities, fund equity, and disclosures that, while material, cannot be determined at this time.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash and cash equivalents and combined fund cash balances of the Crooksville Exempted Village School District as of June 30, 2004, and its combined cash receipts and disbursements and its combined budgeted and actual receipts and its combined budgeted and actual disbursements and encumbrances for the year then ended on the basis of accounting described in note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 29, 2004, on our consideration of Crooksville Exempted Village School District's internal control over financial reporting and our tests of its compliance with 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 cash basis financial statements of Crooksville Exempted Village School District, taken as a whole. The accompanying schedule of expenditures of federal awards expenditures is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
September 29, 2004

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**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
PERRY COUNTY
COMBINED STATEMENT OF CASH, INVESTMENTS
AND FUND CASH BALANCES - ALL FUND TYPES
June 30, 2004**

| | |
|--|----------------------------|
| ASSETS | |
| Cash | \$ 1,908,049 |
| Investments: Star Ohio | 1,344,822 |
| Restricted assets - Budget stabilization | 181,757 |
| TOTAL | <u><u>\$ 3,434,628</u></u> |

CASH BALANCES BY FUND TYPE

| | |
|---------------------------|----------------------------|
| GOVERNMENTAL FUNDS | |
| General | \$ 2,064,690 |
| Special revenue | 305,773 |
| Debt service | 68,747 |
| Capital projects | 84,723 |
| PROPRIETARY FUNDS | |
| Enterprise | 77 |
| Internal service | 873,710 |
| FIDUCIARY FUNDS | |
| Expendable trust | 8,743 |
| Agency | 28,165 |
| TOTAL | <u><u>\$ 3,434,628</u></u> |

See notes to financial statements.

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
PERRY COUNTY
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES - ALL
GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
Year Ended June 30, 2004**

| | Governmental Fund Types | | |
|--------------------------------------|-------------------------|--------------------|-----------------|
| | General | Special Revenue | Debt Service |
| RECEIPTS | | | |
| Receipts from local sources | | | |
| Taxes | \$ 926,645 | \$ 19,925 | \$ 191,452 |
| Tuition | 409,540 | 9,880 | - |
| Transportation fees | - | - | - |
| Earnings on investments | 36,225 | - | - |
| Extracurricular activities | - | 195,695 | - |
| Classroom materials and fees | - | - | - |
| Miscellaneous receipts | 38,422 | 42,336 | - |
| Receipts from state sources | | | |
| Unrestricted grants-in-aid | 6,059,855 | 206,408 | 12,438 |
| Restricted grants-in-aid | 19,135 | 210,469 | - |
| Receipts from federal sources | | | |
| Unrestricted grants-in-aid | 18,531 | - | - |
| Restricted grants-in-aid | - | 776,341 | - |
| TOTAL RECEIPTS | <u>7,508,353</u> | <u>1,461,054</u> | <u>203,890</u> |

| <u>Capital Projects</u> | <u>Fiduciary Fund Type Expendable Trust</u> | <u>Total (Memorandum Only)</u> |
|-----------------------------|---|--|
| \$ - | \$ - | \$ 1,138,022 |
| - | - | 419,420 |
| - | - | - |
| 1,842 | - | 38,067 |
| - | - | 195,695 |
| - | - | - |
| - | 4,300 | 85,058 |
| - | - | 6,278,701 |
| 26,125 | - | 255,729 |
| - | - | 18,531 |
| - | - | 776,341 |
| <u>27,967</u> | <u>4,300</u> | <u>9,205,564</u> |

See notes to financial statements.

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
PERRY COUNTY
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES - ALL
GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS (CONTINUED)
Year Ended June 30, 2004**

| | <u>Governmental Fund Types</u> | | |
|--|--------------------------------|----------------------------|-------------------------|
| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> |
| DISBURSEMENTS | | | |
| Instruction | | | |
| Regular | 3,500,025 | 809,747 | - |
| Special | 553,793 | 48,874 | - |
| Adult continuing | - | - | - |
| Other | 523,777 | - | - |
| Supporting Services | | | |
| Pupils | 205,761 | 220,082 | - |
| Instructional staff | 284,905 | 150,772 | - |
| Board of Education | 39,326 | - | - |
| Administration | 722,002 | 54,080 | - |
| Fiscal services | 212,742 | 3,925 | 5,965 |
| Operation and maintenance-plant | 937,465 | 27,776 | - |
| Pupil transportation | 603,167 | - | - |
| Operation of Non-Instructional Services | | | |
| Community services | - | 6,997 | - |
| Extracurricular Activities | | | |
| Academic and subject oriented activities | 20,016 | 4,747 | - |
| Sports oriented | 190,226 | 125,595 | - |
| Facilities Acquisition and Construction | | | |
| Architecture and Engineering | 39,386 | - | - |
| Site acquisition | - | - | - |
| Building Construction | 705,831 | 3,281 | - |
| Other | 5,075 | - | - |
| Debt Service | | | |
| Repayment of debt | 43,898 | - | 182,637 |
| TOTAL DISBURSEMENTS | <u>8,587,395</u> | <u>1,455,876</u> | <u>188,602</u> |
| EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS | | | |
| | (1,079,042) | 5,178 | 15,288 |

| <u>Capital Projects</u> | <u>Fiduciary Fund Type Expendable Trust</u> | <u>Total (Memorandum Only)</u> |
|-----------------------------|---|--|
| - | - | 4,309,772 |
| - | - | 602,667 |
| - | - | - |
| - | - | 523,777 |
| - | - | 425,843 |
| 25,461 | - | 461,138 |
| - | - | 39,326 |
| - | - | 776,082 |
| - | - | 222,632 |
| - | - | 965,241 |
| - | - | 603,167 |
| - | - | 6,997 |
| - | 5,300 | 30,063 |
| - | - | 315,821 |
| 197,133 | - | 236,519 |
| - | - | - |
| 28,494 | - | 737,606 |
| - | - | 5,075 |
| - | - | 226,535 |
| <u>251,088</u> | <u>5,300</u> | <u>10,488,261</u> |
| (223,121) | (1,000) | (1,282,697) |

See notes to financial statements.

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
PERRY COUNTY
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES - ALL
GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS (CONTINUED)
Year Ended June 30, 2004**

| | <u>Governmental Fund Types</u> | | |
|---|--------------------------------|----------------------------|-------------------------|
| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> |
| Other Financing Sources | | | |
| Proceeds from sale of bonds | 439,318 | - | - |
| Transfers-in | - | - | - |
| Advances-in | 88,918 | 16,513 | - |
| Sale of assets | 1,500 | - | - |
| Refund of prior year expenditure | - | - | - |
| Other Financing Uses | | | |
| Transfers-out | - | - | - |
| Advances-out | <u>(109,089)</u> | <u>(8,016)</u> | <u>-</u> |
| TOTAL OTHER FINANCING SOURCES/(USES) | <u>420,647</u> | <u>8,497</u> | <u>-</u> |
| EXCESS OF RECEIPTS AND OTHER SOURCES OVER/(UNDER) DISBURSEMENTS AND OTHER USES | (658,395) | 13,675 | 15,288 |
| BEGINNING FUND CASH BALANCE | <u>2,723,085</u> | <u>292,098</u> | <u>53,459</u> |
| ENDING FUND CASH BALANCE | <u><u>\$ 2,064,690</u></u> | <u><u>\$ 305,773</u></u> | <u><u>\$ 68,747</u></u> |

| <u>Capital Projects</u> | <u>Fiduciary Fund Type Expendable Trust</u> | <u>Total (Memorandum Only)</u> |
|-----------------------------|---|--|
| - | - | 439,318 |
| - | - | - |
| - | - | 105,431 |
| - | - | 1,500 |
| - | - | - |
| - | - | - |
| - | - | (117,105) |
| - | - | 429,144 |
| (223,121) | (1,000) | (853,553) |
| <u>307,844</u> | <u>9,743</u> | <u>3,386,229</u> |
| <u>\$ 84,723</u> | <u>\$ 8,743</u> | <u>\$ 2,532,676</u> |

See notes to financial statements.

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
PERRY COUNTY
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY
FUND TYPES AND FIDUCIARY FUND TYPES
Year Ended June 30, 2004**

| | Proprietary Fund Types | |
|---|------------------------|---------------------|
| | Enterprise | Internal Service |
| Operating Receipts | | |
| Food services | \$ 152,553 | \$ - |
| Extracurricular activities | - | - |
| Classroom materials and fees | 2,918 | - |
| TOTAL OPERATING RECEIPTS | 155,471 | - |
| Operating Disbursements | | |
| Personal services - salaries | 115,559 | - |
| Employees' retirement and insurance | 67,245 | - |
| Purchased services | 416 | 1,309,724 |
| Supplies and materials | 164,865 | - |
| Other objects | - | - |
| TOTAL OPERATING DISBURSEMENTS | 348,085 | 1,309,724 |
| OPERATING RECEIPTS | 155,471 | - |
| OVER/(UNDER) OPERATING DISBURSEMENTS | (192,614) | (1,309,724) |
| Non-operating receipts | | |
| Miscellaneous | - | 1,407,684 |
| State Sources | | |
| Restricted grants-in-aid | 8,665 | - |
| Federal Sources | | |
| Unrestricted grants-in-aid | 164,331 | - |
| TOTAL NON-OPERATING RECEIPTS | 172,996 | 1,407,684 |

| <u>Fiduciary Fund Type</u> | <u>Total (Memorandum Only)</u> |
|--------------------------------|--|
| <u>Agency</u> | |
| \$ - | 152,553 |
| 39,310 | 39,310 |
| - | 2,918 |
| <u>39,310</u> | <u>194,781</u> |
| - | 115,559 |
| - | 67,245 |
| - | 1,310,140 |
| - | 164,865 |
| 38,296 | 38,296 |
| <u>38,296</u> | <u>1,696,105</u> |
| <u>1,014</u> | <u>(1,501,324)</u> |
| 2,796 | 1,410,480 |
| - | 8,665 |
| - | 164,331 |
| <u>2,796</u> | <u>1,583,476</u> |

See notes to financial statements.

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
PERRY COUNTY
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY
FUND TYPES AND FIDUCIARY FUND TYPES (CONTINUED)
Year Ended June 30, 2004**

| | Proprietary Fund Types | |
|--|-------------------------------|-----------------------------|
| | Enterprise | Internal Service |
| NET EXCESS OF RECEIPTS OVER/(UNDER) DISBURSEMENTS BEFORE TRANSFERS AND ADVANCES | (19,618) | 97,960 |
| Advances-in | 92,545 | - |
| Advances-out | (80,489) | - |
| Transfers-in | - | - |
| Transfers-out | - | - |
| | 7,639 | 775,750 |
| NET EXCESS OF RECEIPTS OVER/(UNDER) DISBURSEMENTS | (7,562) | 97,960 |
| BEGINNING FUND CASH BALANCE | 7,639 | 775,750 |
| ENDING FUND CASH BALANCE | \$ 77 | \$ 873,710 |

| <u>Fiduciary Fund Type</u> | <u>Total (Memorandum Only)</u> |
|--------------------------------|--|
| <u>Agency</u> | |
| 3,810 | 82,152 |
| 32 | 92,577 |
| (414) | (80,903) |
| 2,808 | 2,808 |
| <u>(2,808)</u> | <u>(2,808)</u> |
| 3,428 | 93,826 |
| <u>24,737</u> | <u>808,126</u> |
| <u>\$ 28,165</u> | <u>\$ 901,952</u> |

See notes to financial statements.

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
PERRY COUNTY
COMBINED STATEMENT OF RECEIPTS - BUDGET & ACTUAL - ALL
BUDGETED FUND TYPES
Year Ended June 30, 2004**

| <u>Fund Types/Funds</u> | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--------------------------------|-----------------------------|-----------------------------|---|
| Government Funds | | | |
| General | \$ 8,038,089 | \$ 8,038,089 | \$ - |
| Special revenue | 1,477,567 | 1,477,567 | - |
| Debt service | 203,890 | 203,890 | - |
| Capital projects | 27,967 | 27,967 | - |
| Proprietary Funds | | | |
| Enterprise | 421,012 | 421,012 | - |
| Internal service | 1,407,684 | 1,407,684 | - |
| Fiduciary Funds | | | |
| Trust and agency | 44,946 | 44,946 | - |
| TOTAL (MEMORANDUM ONLY) | <u><u>\$ 11,621,155</u></u> | <u><u>\$ 11,621,155</u></u> | <u><u>\$ -</u></u> |

See notes to financial statements.

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**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
PERRY COUNTY
COMBINED STATEMENT OF DISBURSEMENTS & ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - ALL BUDGETED FUND TYPES
Year Ended June 30, 2004**

| <u>Fund Types/Funds</u> | <u>Encumbrances Outstanding At 6/30/03</u> | <u>Fiscal Year Appropriations</u> | <u>Total</u> |
|--------------------------------|--|---------------------------------------|----------------------|
| Government Funds | | | |
| General | \$ 321,535 | \$ 8,652,940 | \$ 8,974,475 |
| Special revenue | 73,641 | 1,612,502 | 1,686,143 |
| Debt service | - | 193,137 | 193,137 |
| Capital projects | 5,148 | 325,632 | 330,780 |
| Proprietary Funds | | | |
| Enterprise | 7,249 | 421,402 | 428,651 |
| Internal service | 75,252 | 1,238,942 | 1,314,194 |
| Fiduciary Funds | | | |
| Trust and agency | 5,949 | 49,502 | 55,451 |
| TOTAL (MEMORANDUM ONLY) | <u>\$ 488,774</u> | <u>\$ 12,494,057</u> | <u>\$ 12,982,831</u> |

| <u>Actual Fiscal Year Disbursements</u> | <u>Encumbrances Outstanding At 6/30/04</u> | <u>Total</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|--|----------------------|---|
| \$ 8,696,484 | \$ 156,903 | \$ 8,853,387 | \$ 121,088 |
| 1,463,892 | 90,193 | 1,554,085 | 132,058 |
| 188,602 | - | 188,602 | 4,535 |
| 251,088 | 159 | 251,247 | 79,533 |
| 428,574 | 77 | 428,651 | - |
| 1,309,724 | 4,470 | 1,314,194 | - |
| 41,518 | 6,537 | 48,055 | 7,396 |
| <u>\$ 12,379,882</u> | <u>\$ 258,339</u> | <u>\$ 12,638,221</u> | <u>\$ 344,610</u> |

See notes to financial statements.

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The Crooksville Exempted Village School District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District is an exempted village school district as defined by Section 3311.04 of the Ohio Revised Code. The School District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the School District.

Average daily membership (ADM) as of June 30, 2004, was 1,153. The School District employed 97 certificated employees and 51 non-certificated employees.

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

B. BASIS OF ACCOUNTING

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

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

C. FUND ACCOUNTING

The School District maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each type of fund are as follows:

GOVERNMENTAL FUNDS

General Fund

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

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

C. FUND ACCOUNTING (CONTINUED)

Special Revenue Funds

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

Debt Service Fund

These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. According to governmental accounting principles, the debt service fund accounts for the payment of long-term debt for governmental funds only. Under Ohio law, the debt service fund might also be used to account for the payment of the short-term debt of both governmental and proprietary funds. For purposes of this report, these funds have been classified into the proper groups, if practicable.

Capital Projects Fund

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

PROPRIETARY FUNDS

Enterprise Funds

These funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods and 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 purpose.

Internal Service Funds

These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

FIDUCIARY FUNDS

Trust and Agency Funds

These funds are used to account for assets held by a governmental unit in a trustee capacity for individuals, private organizations, other funds and/or governmental units. These include Expendable Trust Funds and Agency Funds.

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

D. BUDGETARY PROCESS

Budget

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by January 20 of each year, for the subsequent July 1 to June 30 fiscal year.

Estimated Resources

The County Budget Commission certifies its actions to the School District by March 1. As part of this certification, the School District receives the official certificate of estimated resources which states the projected receipts of each fund. On or about July 1, this certificate is amended to include any encumbered balances from the preceding year. Prior to June 30, the School District must revise its budget so that the total contemplated disbursements from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. Budget receipts as shown in the accompanying financial statements do not include July 1 unencumbered fund balances. However, those fund balances are available for appropriations.

Appropriations

A temporary appropriation measure to control cash disbursements may be passed on or about July 1 of each year for the period July 1 to September 30. An annual appropriation measure must be passed by October 1 of each year for the period July 1 to June 30. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. The legal level of budgetary control established by the District is at the Fund, Function, Object level. All District funds have been appropriated.

Encumbrances

The School District is required to use the encumbrance methods of accounting by virtue of Ohio law. Under this system, purchase orders, contracts, and other commitments for the disbursement of funds are recorded in order to reserve the portion of the applicable appropriation. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated.

E. RESTRICTED ASSETS

Restricted assets represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by statute to be set – aside by the School District to create a reserve for budget stabilization. See Note 8 for the calculation of the year end restricted asset balance.

F. PROPERTY, PLANT AND EQUIPMENT

Fixed assets acquired or constructed for the School District are recorded as disbursements. Depreciation is not recorded for these fixed assets.

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

G. ACCUMULATED UNPAID VACATION AND SICK LEAVE

Accumulated unpaid vacation and sick leave are not accrued under the cash basis of accounting described in Note 1. All leave will either be absorbed by time off from work or within certain limitations, be paid to the employees. It is not practicable to determine the actuarial value of these benefits as of June 30, 2004.

H. TOTAL COLUMNS ON FINANCIAL STATEMENTS

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

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS

The School District maintains a cash and cash equivalents pool which is used by all funds. Each fund type’s portion of this pool is displayed on the “Combined Statement of Cash and Cash Equivalents and Fund Cash Balances” as “Cash Balances by Fund Type.”

State law requires the classification of moneys held by the School District into three categories:

Category 1 consists of “active” moneys, those moneys required to be kept in a “cash” or “near-cash” status for immediate use by the School District. Such moneys must be maintained either as cash in the School District’s treasury or in depository accounts payable or withdrawable on demand, negotiable order of withdrawal (NOW) accounts, or money market deposit accounts.

Category 2 consists of “inactive” moneys, those moneys not required for use within the current two year period of designation of depositories. Inactive moneys may be held in deposits or investments maturing not later than the end of the current period of designation of depositories.

Category 3 consists of “interim” moneys, those moneys which are redeemable within two years from the date of purchase, not to exceed the end of the current period of depositories. Interim moneys may be invested or deposited, pursuant to Section 135.14, Revised Code, in the following securities:

- A. Bonds, notes, or other obligations of or guaranteed by the United States, those for which the faith of the United States is pledged for the payment of principal and interest thereon;
- B. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality;

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
NOTES TO FINANCIAL STATEMENTS**

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS (CONTINUED)

- C. Written repurchase agreements for a period not to exceed thirty days in securities listed above that mature within five years from the date of purchase;
- D. Bonds or other obligations of the State of Ohio;
- E. No-load money market mutual funds consisting exclusively of obligations described in division (A) or (B) 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 mentioned in section 135.03 of the Revised Code.
- F. The State Treasurer's investment pool. (STAR Ohio)
- G. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time.

The Governmental Accounting Standards Board (GASB) Statement No. 3 has established risk categories for deposits as follows:

Category 1 - Deposits that are insured or collateralized with securities held by the School District or by its agency in the School District's name.

Category 2 - Deposits collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name.

Category 3 - Deposits that are uncollateralized or collateralized with securities held by the pledging financial institution, or its trust department or agent but not in the School District's name.

Deposits

At fiscal year-end, the carrying amount of the School District's deposits was \$2,089,806 and the bank balance was \$2,219,165. Of the bank balance:

- 1. \$100,000 was covered by federal depository insurance, by collateral held by School District, or by collateral held by a qualified third party trustee in the name of the School District; and
- 2. \$2,119,165 was considered uninsured and uncollateralized even though securities for collateral were held in pooled collateral and all state statutory requirements for the deposit of money had been followed. Non-compliance with federal requirements would potentially subject the School District to a successful claim by the FDIC.

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
NOTES TO FINANCIAL STATEMENTS**

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS (CONTINUED)

Investments

GASB Statement No. 3, “Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements,” requires the School District to categorize investments to give an indication of the level or risk assumed by the School District at year-end.

Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agents in the School District’s name.

Category 2 includes uninsured and unregistered investments which are held by the counterparty’s trust department or agent in the School District’s name.

Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the School District’s name. The School District invests in STAR Ohio, which is not classified by degree of credit risk since it is not evidenced by securities that exist in physical or book entry form. The carrying amount of the School District’s investment in STAR Ohio as June 30, 2004, was \$1,344,822.

3. PROPERTY TAX

Real property taxes are levied on assessed values which equal 35% of appraised values. The county auditor reappraises all real property every six years with a triennial update. The last appraisal was completed for tax year 2002.

Real property taxes becomes a lien on all non-exempt real property located in the County on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later dates to be established.

The full tax rate applied to real property for tax year 2004 was \$33.80 per \$1,000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$26.84 per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$27.04 per \$1,000 of assessed valuation for all other real property. Real property owners’ tax bills are further reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback deductions is reimbursed to the School District by the State of Ohio.

Owners of tangible personal property are required to file a list of such property, including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost. The tax rate applied to tangible personal property for tax year 2003 was \$33.80 per \$1,000 of assessed valuation.

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
NOTES TO FINANCIAL STATEMENTS**

3. PROPERTY TAX (CONTINUED)

| | |
|-----------------------------------|-----------------------------|
| Real Property | |
| Residential/agricultural | \$ 33,606,490 |
| Commercial/industrial | 4,749,390 |
| Minerals | 512,200 |
| Public Utilities | 58,530 |
| | |
| Tangible Personal Property | |
| General | 3,062,918 |
| Public utilities | <u>6,236,880</u> |
| | |
| Total Valuation | <u>\$ 48,226,408</u> |

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits tot he taxing districts their portion of the taxes collected.

4. DEBT OBLIGATIONS

Debt outstanding at June 30, 2004, consisted of the following:

| | |
|---|----------------|
| School Facilities Construction Bonds | |
| Principal outstanding | \$ 1,446,000 |
| Interest rates | 6.516 to 7.75% |
| | |
| H.B. 264 Bonds | |
| Principal Outstanding | \$415,000 |
| Interest rate | 4.6% |

The annual requirements to amortize all bonded debt outstanding as of June 30, 2004, including interest payments of \$1,104,085, are as follows:

| Year Ending June 30 | School Facilities Construction Bonds | H.B. 264 Bonds |
|------------------------|---|--------------------------|
| 2005 | \$ 184,649 | \$ 43,005 |
| 2006 | 178,410 | 42,130 |
| 2007 | 172,149 | 41,255 |
| 2008 | 170,865 | 40,380 |
| 2009 | 164,334 | 39,505 |
| 2010-2023 | 1,524,723 | 363,680 |
| Total | <u>\$ 2,395,130</u> | <u>\$ 569,955</u> |

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
NOTES TO FINANCIAL STATEMENTS**

4. AMORTIZATION OF CLASSROOM FACILITIES

On May 13, 1985, and February 26, 1986, the Crooksville Exempted Village Schools District Board of Education entered into a contract with the State Department of Education, which provided for the Ohio purchase of classroom facilities permitted under the provisions of Sections 3318.01 to 3318.20, inclusive, of the Ohio Revised Code. The County Auditor was unable to provide an amortization schedule of classroom facilities due to changes in valuations caused by the statutorily required triennial updates and sextennial appraisals and the possibility of additional voted millage. However, the contract amount of the indebtedness so assumed by the School District shall be equal to one-half of one mill multiplied by the total value of all property as listed and assessed for taxation in the School District for each of the years remaining in the agreement for a maximum period of twenty-three calendar years. Any unpaid balance at the end of that period would be forgiven.

Then, on October 28, 1997, the District entered into an agreement with the Ohio School Facilities Commission. Under this agreement, the District can retain the one-half of one mill to be used for maintenance of newly constructed classrooms as long as the District's adjusted valuation per pupil is less than the state-wide median adjusted valuation per pupil. The District has established a new fund to account for these maintenance funds. For the fiscal year ended June 30, 2004, the District's adjusted valuation per pupil was less than the state-wide median adjusted valuation per pupil and thus the District was able to retain the one-half of one mill to use for classroom maintenance.

6. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During the fiscal year ended June 30, 2003, the School District contracted with various insurance companies for property and general liability insurance, including criminal, mechanical, electrical and pressure equipment, inland marine, and fleet coverage.

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

The School District pays the State Workers' Compensation System a premium based on a rate per \$100 salaries. This rate is calculated based on accident history and administrative costs.

Self Insurance - The School District has chosen to establish a risk financing fund for risks associated with the employee's health insurance plan. The risk financing fund is accounted for as an Internal Service Fund where assets are set aside for claim settlements. Mutual Health Services, Inc., acts as a third party to administer the activity. A premium is charged to each fund that accounts for part-time or full-time employees. The total charge allocated to each of the funds (the allocation is based upon percentages of each fund's current year payroll as it relates to total payroll of the School District) is calculated using trends in actual claims experience. A comparison of Self Insurance cash and investments to the actuarially measured liability as of June 30, 2004 follows:

| | |
|-----------------------|-----------------------------|
| Cash and investments | <u>6/30/04</u> \$873,710 |
| Actuarial Liabilities | \$211,699 |

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
NOTES TO FINANCIAL STATEMENTS**

7. RETIREMENT SYSTEMS

State Teachers Retirement System Of Ohio (STRS)

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

Employees contribute 10.0% of gross pay. The employer's matching share is 14.0% of gross pay. The pension contribution for the District for the fiscal year ended June 30, 2004, was \$920,052, which consisted of \$383,076 from employees and \$536,976 from the employer. The required percentages for employer and employee contributions for the next fiscal year will be unchanged.

School Employees Retirement System of Ohio (SERS)

The full-time permanent, non-certified employees of the Crooksville Exempted Village School District belong to the School Employees Retirement System (SERS), a cost-sharing multiple employer public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215.

Employees contribute 10.0% of gross pay. The employer's matching share is 14.0% of gross pay. The pension contribution for the District for the fiscal year ended June 30, 2004, was \$298,952, which consisted of \$115,888 from employees and \$183,064 from the employer. The required percentages for employer and employee contributions for the next fiscal year will be unchanged.

8 SET ASIDE CALCULATIONS AND FUND RESERVES

The school District is required by State Statute to annually set aside in the General Fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an amount equal for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years. The School District is also allowed to set aside money for budget stabilization.

The School District also receives resources from the State of Ohio which are restricted by State law for the purchases of school buses. The balance of this allocation is also reflected as a reservation of fund balance in the General Fund at fiscal year end.

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO
NOTES TO FINANCIAL STATEMENTS**

8. SET ASIDE CALCULATIONS AND FUND RESERVES (CONTINUED)

The following cash basis information describes the change in the year-end set aside amounts for textbooks, capital acquisition, and budget stabilization. Disclosure of this information is required by State statute.

| | <u>Budget Stabilization Reserve</u> | <u>Capital Improvements Reserve</u> | <u>Textbooks Material Reserve</u> | <u>Total</u> |
|---|---|---|---|----------------------|
| Set-Aside Cash Balance As of June 30, 2004 | \$ 126,502 | \$ (4,499,340) | \$ 6,025 | \$ (4,366,813) |
| Current Year Set-Aside Requirement | - | 156,288 | 156,288 | 312,576 |
| Current Year Offset | - | 19,925 | - | 19,925 |
| Qualifying Disbursements | <u>-</u> | <u>250,298</u> | <u>244,122</u> | <u>494,420</u> |
| Total | <u>\$ 126,502</u> | <u>\$(4,613,275)</u> | <u>\$ (81,809)</u> | <u>\$(4,568,582)</u> |
| Carried Forward to FY2005 | <u>\$ 126,502</u> | <u>\$(4,613,275)</u> | <u>\$ (81,809)</u> | <u>\$(4,568,582)</u> |
| Amount Restricted for Bus Purchases | | | | \$ 55,255 |
| Total Restricted Assets | | | | <u>\$ 181,757</u> |

9. STATE SCHOOL FUNDING DECISION

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school funding plan is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school funding scheme that is thorough and efficient...". The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

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**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Education
Crooksville Exempted Village School District
Crooksville, Ohio

We have audited the financial statements of Crooksville Exempted Village School District as of and for the year ended June 30, 2004, and have issued our report thereon dated September 29, 2004. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Crooksville Exempted Village School District's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2004-1. We also noted certain immaterial instances of noncompliance which we have reported to management of Crooksville Exempted Village School District in a separate letter dated September 29, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Crooksville Exempted Village School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters involving internal control that we have reported to management in a separate letter dated September 29, 2004.

This report is intended for the information of the District's Board of Education, management, Auditor of State, federal award agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
September 29, 2004

**WOLFE, WILSON, & PHILLIPS, INC
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

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

Board of Education
Crooksville Exempted Village School District
Crooksville, Ohio

Compliance

We have audited the compliance of Crooksville Exempted Village School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2004. Crooksville Exempted Village School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Crooksville Exempted Village School District management. Our responsibility is to express an opinion on Crooksville Exempted Village School District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Crooksville Exempted Village 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 Crooksville Exempted Village School District's compliance with those requirements.

In our opinion, the Crooksville Exempted Village School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2004.

Internal Control Over Compliance

The management of Crooksville Exempted Village 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 Crooksville Exempted Village 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.

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This report is intended for the information of the District's Board of Education, management, the Auditor of State, federal award agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
September 29, 2004

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
PERRY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION 505**

1. Summary of Auditor's Results

| | | |
|--------------|--|--|
| (d)(1)(I) | Type of Financial Statement Opinion | Unqualified |
| (d)(1)(ii) | Were there any material control weakness conditions reported at the financial statement level (GAGAS)? | NO |
| (d)(1)(ii) | Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)? | NO |
| (d)(1)(iii) | Was there any reported non-compliance at the financial statement level (GAGAS)? | YES |
| (d)(1)(iv) | Were there any material internal control weakness conditions reported for major federal programs? | NO |
| (d)(1)(iv) | Were there any other reportable internal control weakness conditions reported for major federal programs? | NO |
| (d)(1)(v) | Type of Major Programs' Compliance Opinion | Unqualified |
| (d)(1)(vi) | Are there any reportable findings under section. 510? | NO |
| (d)(1)(vii) | Major Programs: | Reading First; CFDA #84.357 |
| (d)(1)(viii) | Dollar Threshold: Type A/B Programs: | Type A: >\$300,000; Type B: All Others |
| (d)(1)(ix) | Low Risk Auditee? | Yes |

2. Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS

Finding 2004-1: Ohio Administrative Code 117-2-03B and ORC 117.38 requires the school districts financial statements to be prepared in accordance with generally accepted accounting principles unless a proper waiver has been obtained. The District has not obtained such a waiver. We recommend that the District file its financial statements in accordance with generally accepted accounting principles in the future.

3. Findings and Questioned Costs for Federal Awards

NONE

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
PERRY COUNTY
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| Federal Grantor/ Sub-Grantor Program Title | Pass Through Entity Number | Federal CFDA Number | Receipts | Non-Cash Receipts | Disbursements | Non-Cash Disbursements |
|---|-------------------------------|---------------------------|------------|----------------------|---------------|---------------------------|
| <u>U.S. DEPARTMENT OF AGRICULTURE:</u> | | | | | | |
| Pass through Ohio Department of Education | | | | | | |
| Nutrition Cluster | | | | | | |
| National School Breakfast Program | n/a | 10.553 | \$ 34,880 | \$ - | \$ 34,880 | \$ - |
| National School Lunch Program | n/a | 10.555 | 127,543 | - | 127,543 | - |
| Special Milk Program | n/a | 10.556 | 1,908 | - | 1,908 | - |
| Food Distribution Program | n/a | 10.550 | - | 25,935 | - | 25,935 |
| Total Nutrition Cluster | | | 164,331 | 25,935 | 164,331 | 25,935 |
| Total U.S. Department of Agriculture | | | 164,331 | 25,935 | 164,331 | 25,935 |
| <u>U.S. DEPARTMENT OF EDUCATION:</u> | | | | | | |
| Pass through Ohio Department of Education | | | | | | |
| Title I Educationally Deprived Children | 045351C1S12003 | 84.010 | 37,449 | - | 36,453 | - |
| | 045351C1S12004 | | 225,103 | - | 223,644 | - |
| | 045351C1SD2003 | | 4,672 | - | 3,214 | - |
| | | | 267,224 | - | 263,311 | - |
| Special Education Cluster: | | | | | | |
| Title VI-B Special Education Assistance for Handicapped Children | 0453516BSF03P | 84.027 | 6,795 | - | 16,512 | - |
| | 0453516BSF04P | | 142,877 | - | 138,813 | - |
| Special Education Preschool Grant | 045351PGSC03P | 84.173 | 989 | - | 1,159 | - |
| | 045351PGSC04P | | 6,130 | - | 6,130 | - |
| | | | 156,791 | - | 162,614 | - |
| Drug Free Schools Grant | 045351DRS12004 | 84.186 | 8,002 | - | 8,002 | - |
| | | | 8,002 | - | 8,002 | - |
| Innovative Education Program Strategies | 045351C2S12003 | 84.298 | 214 | - | 152 | - |
| | 045351C2S12004 | | 6,581 | - | 6,581 | - |
| | | | 6,795 | - | 6,733 | - |
| Education Technology State Grants | 045351TJS12003 | 84.318 | 3,960 | - | 5,122 | - |
| | 045351TJS12004 | | 1,350 | - | 1,420 | - |
| | | | 5,310 | - | 6,542 | - |
| Reading First-Ohio | 045351RSS12004 | 84.357 | 264,938 | - | 247,114 | - |
| | | | 264,938 | - | 247,114 | - |
| Improving Teacher Quality State Grants | 045351TRS12003 | 84.367 | 23,779 | - | 28,096 | - |
| | 045351TRS12004 | | 44,698 | - | 40,399 | - |
| | | | 68,477 | - | 68,495 | - |
| Total U.S. Department of Education | | | 777,537 | - | 762,811 | - |
| <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u> | | | | | | |
| (PASS THROUGH Ohio Department of MR/DD) | | | | | | |
| Medical Assistance - CAFS | n/a | 93.778 | 18,531 | - | 18,531 | - |
| | | | 18,531 | - | 18,531 | - |
| Total U.S. Department of Health and Human Services | | | 18,531 | - | 18,531 | - |
| Total Federal Awards Expenditures | | | \$ 960,399 | \$ 25,935 | \$ 945,673 | \$ 25,935 |

See notes to Schedule of Federal Awards Expenditures.

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES**

NOTES A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTES B – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. Monies are commingled with the State Grants. It is assumed that federal monies are expended first.



**Auditor of State
Betty Montgomery**

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**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
PERRY 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
DECEMBER 28, 2004**