

***CROOKSVILLE EXEMPTED VILLAGE SCHOOL  
DISTRICT***

***PERRY COUNTY, OHIO***

**AUDIT REPORT**

**For the Year Ended June 30, 2011**

***Charles E. Harris and Associates, Inc.***  
**Certified Public Accountants and Government Consultants**





# Dave Yost • Auditor of State

Board of Education  
Crooksville Exempted Village School District  
4065 School Drive  
Crooksville, Ohio 43731

We have reviewed the *Report of Independent Accountants* of the Crooksville Exempted Village School District, Perry County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2010 through June 30, 2011. 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.

## **Finding for Recovery Repaid Under Audit**

Ohio Revised Code Section 3313.24 states, in part, "At the time of the appointment or designation of the term of office of the treasurer...the board of education of each local, exempted village or city school district shall fix the compensation of its treasurer, which shall be paid from the general fund of the district." Also, ODE provided guidance in April 2004 regarding treasurer compensation specifically referring to Ohio Revised Code Section 3313.24 and clarifying treasurer compensation requirements.

From July 1, 2004 through November 23, 2011, the District paid Treasurer Michael Hankinson \$1,300 annually from the Title I Fund 572 and \$1,000 annually from the IDEA B Fund 516, totaling \$10,029 from Fund 572 and \$8,000 from Fund 516 during that period. Additionally, from July 1, 2004 through June 30, 2006, the District paid Mr. Hankinson \$2,500 annually from the Miscellaneous Federal Grants Fund 599, totaling \$5,000 during that period. These payments were in addition to approved salary amounts for Mr. Hankinson as authorized by the Crooksville EVSD Board of Education. There were no supplemental contracts or other indications of Board approval of any such supplemental payments to the Treasurer during this period.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against Michael Hankinson in the amount of \$23,029 in favor of the District.

All amounts listed above were paid back to the District by the former Treasurer on March 20, 2012.

Board of Education  
Crooksville Exempted Village School District  
Page -2-

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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D" and a long, sweeping tail on the "y".

Dave Yost  
Auditor of State

May 11, 2012

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT  
PERRY COUNTY  
AUDIT REPORT  
For the Year Ended June 30, 2011**

**TABLE OF CONTENTS**

<u><b>Title</b></u>	<u><b>Page</b></u>
<b>Report of Independent Accountants</b>	<b>1-2</b>
<b>Management Discussion &amp; Analysis</b>	<b>3-11</b>
<b>Statement of Net Assets</b>	<b>12</b>
<b>Statement of Activities</b>	<b>13</b>
<b>Balance Sheet – Governmental Funds</b>	<b>14</b>
<b>Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities</b>	<b>15</b>
<b>Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds</b>	<b>16</b>
<b>Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities</b>	<b>17</b>
<b>Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund</b>	<b>18-19</b>
<b>Statement of Net Assets – Proprietary Funds</b>	<b>20</b>
<b>Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds</b>	<b>21</b>
<b>Statement of Cash Flows – Proprietary Funds</b>	<b>22</b>
<b>Statement of Net Assets – Fiduciary Funds</b>	<b>23</b>
<b>Statement of Changes in Net Assets – Fiduciary Fund</b>	<b>24</b>
<b>Notes to the Basic Financial Statements</b>	<b>25-52</b>
<b>Schedule of Federal Awards Expenditures</b>	<b>53</b>
<b>Notes to the Schedule of Federal Awards Expenditures</b>	<b>54</b>
<b>Independent Accountant’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i></b>	<b>55-56</b>
<b>Independent Accountant’s Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance Required by <i>OMB Circular A-133</i></b>	<b>57-58</b>
<b>Schedule of Findings and Questioned Costs</b>	<b>59-61</b>
<b>Schedule of Prior Audit Findings</b>	<b>62</b>
<b>Independent Accountants’ Report on Applying Agreed-Upon Procedure</b>	<b>63</b>

**This page intentionally left blank.**

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

---

REPORT OF INDEPENDENT ACCOUNTANTS

Crooksville Exempted Village School District  
Perry County  
4065 School Drive  
Crooksville, Ohio 43731

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Crooksville Exempted Village School District, Perry County, Ohio, (the District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2011, and the respective changes in financial position and cash flows and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, the District implemented Governmental Accounting Standard Board Statement No.54, "Fund Balance Reporting and Governmental Fund Type Definitions," and restated the June 30, 2010 fund balances of the Governmental Funds due to a change in fund structure.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2012 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide and opinion on internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the managements' discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The accompanying schedule of federal awards expenditures is presented for purpose 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



*Charles E. Harris & Associates, Inc.*

March 20, 2012



# **CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**

---

***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011***

***Unaudited***

---

The discussion and analysis of Crooksville Exempted Village School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

## **FINANCIAL HIGHLIGHTS**

Key financial highlights for 2011 are as follows:

- ❑ Net assets increased \$5,822, which is virtually unchanged from 2010.
- ❑ General revenues accounted for \$8,607,665 in revenue or 69.3% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$3,804,855 or 30.7% of total revenues of \$12,412,520.
- ❑ The District had \$12,406,698 in expenses related to governmental activities; only \$3,804,855 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$8,607,665 were adequate to provide for these programs.
- ❑ The District's General Fund had \$8,749,534 in revenues and \$9,391,202 in expenditures. The General Fund's fund balance decreased \$591,653 to \$141,364.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of two parts – management's discussion and analysis and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the District:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the District's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

# ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

---

***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011***

***Unaudited***

---

## **Government-wide Statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net assets and how they have changed. Net-assets (the difference between the District's assets and liabilities) are one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the District you need to consider additional nonfinancial factors such as the property tax base, current property tax laws, student enrollment growth and facility conditions.

The government-wide financial statements of the District reflect the following category of its activities:

*Governmental Activities* – The District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

***Governmental Funds*** – The District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

## **CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**

---

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**Unaudited**

---

**Fiduciary Funds** – The District is the trustee, or fiduciary, for various student managed activity programs, various scholarship programs and other items listed as agency. It is also responsible for other assets that, due to a trust arrangement can only be used for the trust beneficiaries. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. We exclude these activities from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

### **FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE**

The following table provides a summary of the District's net assets for 2011 and 2010.

	Governmental Activities		Increase (Decrease)
	2011	2010	
Current and other assets	\$4,700,469	\$4,050,337	\$650,132
Capital assets, Net	9,549,787	10,197,192	(647,405)
Total assets	14,250,256	14,247,529	2,727
Long-term debt outstanding	1,504,867	1,540,249	(35,382)
Other liabilities	3,196,578	3,164,291	32,287
Total liabilities	4,701,445	4,704,540	(3,095)
Net assets			
Invested in capital assets, net of related debt	8,613,787	9,111,192	(497,405)
Restricted	669,052	699,317	(30,265)
Unrestricted	265,972	(267,520)	533,492
Total net assets	\$9,548,811	\$9,542,989	\$5,822

This space intentionally left blank.

## **CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**Unaudited**

**Changes in Net Assets** – The following table shows the changes in net assets for the fiscal year 2011 and 2010.

	Governmental Activities		Increase (Decrease)
	2011	2010	
Revenues			
Program revenues:			
Charges for Services and Sales	\$964,841	\$959,776	\$5,065
Operating Grants and Contributions	2,840,014	2,344,395	495,619
General revenues:			
Property Taxes	1,238,857	1,218,389	20,468
Grants and Entitlements	7,243,050	7,227,176	15,874
Other	125,758	178,772	(53,014)
Total revenues	<u>12,412,520</u>	<u>11,928,508</u>	<u>484,012</u>
Program Expenses			
Instruction	6,999,213	7,947,183	(947,970)
Support Services:			
Pupils	856,827	780,056	76,771
Instructional Staff	411,822	462,336	(50,514)
Board of Education	37,548	41,580	(4,032)
Administration	959,034	1,009,843	(50,809)
Fiscal Services	266,918	279,977	(13,059)
Operation and Maintenance of Plant	1,134,984	1,239,549	(104,565)
Pupil Transportation	763,066	745,996	17,070
Operation of Non-Instructional Services	524,556	578,922	(54,366)
Community Services	0	21	(21)
Extracurricular Activities	406,773	472,614	(65,841)
Interest and Fiscal Charges	45,957	61,605	(15,648)
Total expenses	<u>12,406,698</u>	<u>13,619,682</u>	<u>(1,212,984)</u>
Total Change in Net Assets	5,822	(1,691,174)	1,696,996
Beginning Net Assets	<u>9,542,989</u>	<u>11,234,163</u>	<u>(1,691,174)</u>
Ending Net Assets	<u><u>\$9,548,811</u></u>	<u><u>\$9,542,989</u></u>	<u><u>\$5,822</u></u>

### **Governmental Activities**

Net assets of the District's governmental activities increased by \$5,822. Net assets incurred very little change during 2011. Revenues increased by 4% while expenses decreased 8.9%.

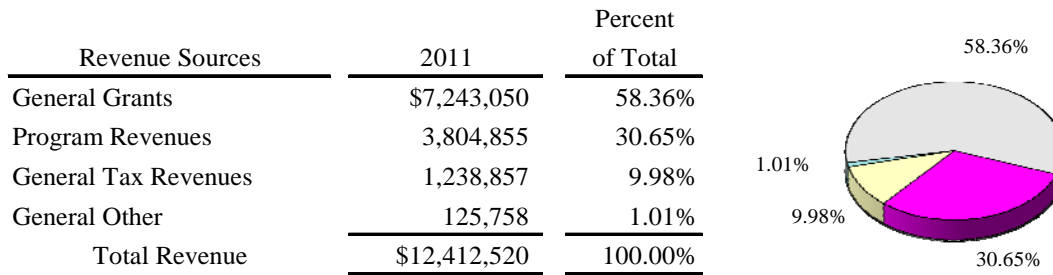
## **CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**Unaudited**

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. In general, the overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Property taxes made up 9.98% of revenues for governmental activities for Crooksville Exempted Village Schools in fiscal year 2011. The District's reliance upon grant revenues is demonstrated by the following graph:



### **FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS**

The District's governmental funds reported a combined fund balance of \$711,052 which is less than last year's balance of \$1,261,555. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2011 and 2010.

	Fund Balance June 30, 2011	Fund Balance June 30, 2010	Increase (Decrease)
General	\$141,364	\$733,017	(\$591,653)
Bond Retirement	456,470	502,691	(46,221)
Other Governmental	113,218	25,847	87,371
Total	\$711,052	\$1,261,555	(\$550,503)

## ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011***

***Unaudited***

*General Fund* –The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2011 Revenues	2010 Revenues	Increase (Decrease)
Taxes	\$805,439	\$1,448,640	(\$643,201)
Tuition	591,340	577,247	14,093
Investment Earnings	15,268	35,261	(19,993)
Extracurricular Activities	53,252	0	53,252
Class Materials and Fees	2,775	890	1,885
Intergovernmental - State	7,180,289	7,095,566	84,723
Intergovernmental - Federal	41,764	64,232	(22,468)
All Other Revenue	59,407	44,831	14,576
Total	\$8,749,534	\$9,266,667	(\$517,133)

General Fund revenues decreased in 2011, by 5.6% compared to revenues in fiscal year 2010 mostly due to decreased tax collections.

	2011 Expenditures	2010 Expenditures	Increase (Decrease)
Instruction	\$5,269,966	\$5,137,146	\$132,820
Supporting Services:			
Pupils	407,852	426,944	(19,092)
Instructional Staff	216,860	265,176	(48,316)
Board of Education	37,548	41,580	(4,032)
Administration	907,887	900,158	7,729
Fiscal Services	268,096	249,495	18,601
Operation & Maintenance of Plant	1,068,929	1,065,863	3,066
Pupil Transportation	800,406	635,881	164,525
Extracurricular Activities	256,118	258,594	(2,476)
Capital Outlay	104,652	30,251	74,401
Debt Service			
Principal Retirement	35,505	25,000	10,505
Interest and Fiscal Charges	17,383	13,068	4,315
Total	\$9,391,202	\$9,049,156	\$342,046

The expenditures increased by \$342,046 or 3.8% compared to the prior year mostly due mainly to increased instruction and transportation expenditures.

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

# **CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**Unaudited**

During the course of fiscal year 2011 the District amended its General Fund budget several times, none significant.

For the General Fund, budget basis revenue was \$9.3 million, above original budget estimates of \$9 million. The General Fund had an adequate fund balance to cover expenditures.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of fiscal year 2011 the District had \$9,549,787 net of accumulated depreciation invested in land, buildings, machinery, equipment and vehicles. The following table shows fiscal year 2011 and 2010 balances:

	Governmental Activities		Increase (Decrease)
	2011	2010	
Land	\$98,680	\$101,300	(\$2,620)
Land Improvements	627,124	628,248	(1,124)
Buildings and Improvements	17,173,434	17,178,620	(5,186)
Machinery/Equipment and Furniture/Fixtures	4,150,249	4,642,931	(492,682)
Vehicles	971,816	971,816	0
Less: Accumulated Depreciation	(13,471,516)	(13,325,723)	(145,793)
Totals	\$9,549,787	\$10,197,192	(\$647,405)

The District did not add any capital assets during the 2011 fiscal year.

Additional information on the District's capital assets can be found in Note 9.

### **Debt**

At June 30, 2011, the District had \$936,000 in bonds outstanding, \$105,000 due within one year. The following table summarizes the District's debt outstanding as of June 30, 2011:

	2011	2010
General Obligation Bonds:		
School Facilities	\$0	\$60,000
Classroom Facilities	16,000	761,000
General Bond	235,000	265,000
Refunding Bond	685,000	265,000
Total General Obligation Bond	936,000	1,086,000
Capital Leases	44,510	0
Compensated Absences	524,357	454,249
Totals	\$1,504,867	\$1,540,249

# ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

---

***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011***

***Unaudited***

---

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 9% of the total assessed value of real and personal property. At June 30, 2011, the District's outstanding debt was below the legal limit. Additional information on the District's long-term debt can be found in Note 12.

## **ECONOMIC FACTORS**

At Crooksville Exempted Village Schools, we have been working hard to make positive changes in our programs. We have been making changes and receiving positive feedback. Crooksville Exempted Village School District staff members continue to actively pursue grant opportunities, professional development and the gathering of assessment data on each and every student. All of these efforts focus on improving student performance, the new state standards and No Child Left Behind mandates.

At a time when state and federal mandates are increasing, the state and federal governments continue to make financial cuts to school districts and local entities. School districts are thus being forced to apply for grants to supplant these dollars or find ways to reduce cost. Reduction in Title I funds, decrease of the Cost of Doing Business Factor, tax reductions in tangible personal property (equipment and inventory), small increases in the state funding formula and other recently introduced tax cuts have really placed local districts in a financial bind. These reductions are magnified by the recent jump in diesel fuel prices, natural gas cost and electricity.

Financially, we are in the same position as many other districts in our area. We are a low wealth district that is constantly applying for grants, looking for ways to cut cost and at the same time trying to maintain programs that are successful. Over the past several years, we have been very fortunate to end the fiscal year with a carryover in funds. However, as a result of operational cost increasing at a higher rate than revenues and the fact that Crooksville Exempted Village School District has not approved an operating levy since 1979, our carryover dollars have continued to decrease each of the past three years. The district's spending each of the last three fiscal years has exceeded the revenues from state, local and federal programs. Thanks to fiscal responsibility of the district, increased open enrollment dollars, grants in aid and a steady student enrollment, the district has managed to stay in the black.

Each October, the district is responsible for filing with the Ohio Department of Education a five year forecast of funding. This forecast is based on predictions and assumptions relating to the school district's expenditures and funding sources. The state funding formula and federal funds provide Crooksville Exempted Village School District with approximately 83% of revenues. The remaining 17% is provided through local operating levies, taxes and miscellaneous revenues. As you can see, we are heavily dependent upon the state foundation program and federal dollars for operating.

At the current levels of funding, staffing and programming, our funding projection is that in fiscal year 2011 the district will have used up its carryover dollars and be operating in the red. The board of education has been frugal and will continue to plan ways to conserve funds thus prolonging its going into fiscal emergency in 2011. The Ohio Governor and Ohio State Legislature have failed to properly address the Ohio Supreme Court's ruling to adequately and equitably fund school. For low wealth districts in Ohio, like Crooksville Exempted Village School District, operating levies alone cannot be the answer to Ohio school funding problems.



## ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

---

***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011***

***Unaudited***

---

The Crooksville Exempted Village School District, Board of Education and administration will continue to closely monitor spending and revenues to make the necessary decisions ensuring that the district remains fiscally sound.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Elyse J. King, Treasurer of Crooksville Exempted Village School District.

# **CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**

---

## **Statement of Net Assets** **June 30, 2011**

---

	<u>Governmental</u> <u>Activities</u>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 1,840,138
Receivables:	
Taxes	2,295,695
Accounts	15,052
Intergovernmental	358,003
Inventory of Supplies at Cost	7,824
Prepaid Items	162,298
Restricted Assets:	
Cash and Cash Equivalents	21,459
Capital Assets Not Being Depreciated	98,680
Capital Assets Being Depreciated, Net	<u>9,451,107</u>
<b>Total Assets</b>	<u>14,250,256</u>
<b>Liabilities:</b>	
Accounts Payable	30,916
Accrued Wages and Benefits	921,556
Intergovernmental Payable	228,086
Claims Payable	152,647
Matured Bonds & Interest Payable	21,459
Deferred Revenue - Taxes	1,838,105
Accrued Interest Payable	3,809
Long Term Liabilities:	
Due Within One Year	195,957
Due in More Than One Year	<u>1,308,910</u>
<b>Total Liabilities</b>	<u>4,701,445</u>
<b>Net Assets:</b>	
Invested in Capital Assets, Net of Related Debt	8,781,477
Restricted For:	
Capital Projects	30,162
Debt Service	488,735
Other Purposes	150,155
Unrestricted	<u>532,612</u>
<b>Total Net Assets</b>	<u>\$ 9,548,811</u>

See accompanying notes to the basic financial statements

## ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

### ***Statement of Activities For the Fiscal Year Ended June 30, 2011***

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>				
Instruction	\$ 6,999,213	\$ 604,182	\$ 1,484,414	\$ (4,910,617)
Support Services:				
Pupils	856,827	0	538,006	(318,821)
Instructional Staff	411,822	0	244,368	(167,454)
Board of Education	37,548	0	0	(37,548)
Administration	959,034	0	65,443	(893,591)
Fiscal Services	266,918	0	10,484	(256,434)
Operation and Maintenance of Plant	1,134,984	0	110,214	(1,024,770)
Pupil Transportation	763,066	0	0	(763,066)
Operation of Non-Instructional Services	524,556	146,623	387,085	9,152
Extracurricular Activities	406,773	214,036	0	(192,737)
Interest and Fiscal Charges	45,957	0	0	(45,957)
<b>Totals</b>	<b>\$ 12,406,698</b>	<b>\$ 964,841</b>	<b>\$ 2,840,014</b>	<b>(8,601,843)</b>
<b>General Revenues</b>				
Property Taxes Levied for:				
General Purposes				1,098,679
Debt Service				122,030
Other Purposes				18,148
Grants and Entitlements not Restricted to Specific Programs				7,243,050
Investment Earnings				15,268
Miscellaneous				110,490
Total General Revenues				8,607,665
Change in Net Assets				5,822
Net Assets Beginning of Year				9,542,989
Net Assets End of Year				<b>\$ 9,548,811</b>

See accompanying notes to the basic financial statements

## ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

***Balance Sheet  
Governmental Funds  
June 30, 2011***

	General	Bond Retirement Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 534,436	\$ 447,175	\$ 287,795	\$ 1,269,406
Receivables:				
Taxes	2,056,533	173,540	65,622	2,295,695
Accounts	3,142	0	11,910	15,052
Intergovernmental	2,915	0	355,088	358,003
Interfund Loan Receivable	168,692	0	0	168,692
Inventory Held for Resale	0	0	7,824	7,824
Prepaid Items	116,036	0	46,262	162,298
Restricted Assets:				
Cash and Cash Equivalents	182,901	21,459	0	204,360
<b>Total Assets</b>	<b>\$ 3,064,655</b>	<b>\$ 642,174</b>	<b>\$ 774,501</b>	<b>\$ 4,481,330</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 17,940	\$ 0	\$ 12,846	\$ 30,786
Accrued Wages and Benefits	712,688	0	208,868	921,556
Intergovernmental Payable	191,325	0	36,761	228,086
Matured Bonds and Interest Payable	0	21,459	0	21,459
Interfund Loans Payable	0	0	168,692	168,692
Deferred Revenue - Taxes	1,970,194	164,245	64,154	2,198,593
Deferred Revenue	0	0	135,730	135,730
Compensated Absences Payable	31,144	0	34,232	65,376
<b>Total Liabilities</b>	<b>2,923,291</b>	<b>185,704</b>	<b>661,283</b>	<b>3,770,278</b>
<b>Fund Balances:</b>				
Nonspendable	116,036	0	54,086	170,122
Restricted	182,901	456,470	222,387	861,758
Assigned	96,185	0	0	96,185
Unassigned	(253,758)	0	(163,255)	(417,013)
<b>Total Fund Balances</b>	<b>141,364</b>	<b>456,470</b>	<b>113,218</b>	<b>711,052</b>
<b>Total Liabilities and Funds Balances</b>	<b>\$ 3,064,655</b>	<b>\$ 642,174</b>	<b>\$ 774,501</b>	<b>\$ 4,481,330</b>

See accompanying notes to the basic financial statements

## **CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**

---

### ***Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities June 30, 2011***

---

<b>Total Governmental Fund Balances</b>	\$	711,052
<b><i>Amounts reported for governmental activities in the statement of net assets are different because</i></b>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		9,549,787
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.		496,218
The internal service funds are used by management to charge the costs of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		235,054
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds Payable	(936,000)	
Capital Lease Payable	(44,510)	
Compensated Absences Payable	(458,981)	
Accrued Interest Payable	(3,809)	
	<u>                    </u>	<u>(1,443,300)</u>
<b><i>Net Assets of Governmental Activities</i></b>	<b>\$</b>	<b><u>9,548,811</u></b>

See accompanying notes to the basic financial statements

## ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

### ***Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Fiscal Year Ended June 30, 2011***

	General	Bond Retirement Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 805,439	\$ 86,688	\$ 14,585	\$ 906,712
Tuition	591,340	0	10,067	601,407
Investment Earnings	15,268	0	0	15,268
Food Services	0	0	146,623	146,623
Extracurricular Activities	53,252	0	160,784	214,036
Class Materials and Fees	2,775	0	0	2,775
Intergovernmental - State	7,180,289	20,997	221,050	7,422,336
Intergovernmental - Federal	41,764	0	2,500,541	2,542,305
All Other Revenue	59,407	25,703	51,083	136,193
<b>Total Revenue</b>	<b>8,749,534</b>	<b>133,388</b>	<b>3,104,733</b>	<b>11,987,655</b>
<b>Expenditures:</b>				
Current:				
Instruction	5,374,618	0	1,437,533	6,812,151
Supporting Services:				
Pupils	407,852	0	485,287	893,139
Instructional Staff	216,860	0	235,912	452,772
Board of Education	37,548	0	0	37,548
Administration	907,887	0	63,568	971,455
Fiscal Services	268,096	5,029	6,930	280,055
Operation & Maintenance of Plant	1,068,929	0	97,508	1,166,437
Pupil Transportation	800,406	0	0	800,406
Operation of Non-Instructional Services	0	0	530,516	530,516
Extracurricular Activities	256,118	0	151,423	407,541
Debt Service:				
Principal Retirement	35,505	120,000	0	155,505
Interest & Fiscal Charges	17,383	28,877	0	46,260
<b>Total Expenditures</b>	<b>9,391,202</b>	<b>153,906</b>	<b>3,008,677</b>	<b>12,553,785</b>
Excess (Deficiency) of Revenues				
Over Expenditures	(641,668)	(20,518)	96,056	(566,130)
<b>Other Financing Sources (Uses):</b>				
Initiation of Capital Lease	50,015	0	0	50,015
Issuance of Refunding Bonds	0	685,000	0	685,000
Payment to Refunded Bond Escrow Agent	0	(710,703)	0	(710,703)
<b>Total Other Financing Sources (Uses)</b>	<b>50,015</b>	<b>(25,703)</b>	<b>0</b>	<b>24,312</b>
Net Change in Fund Balance	(591,653)	(46,221)	96,056	(541,818)
<b>Fund Balances (Deficits) at Beginning of Year, restated</b>	<b>733,017</b>	<b>502,691</b>	<b>25,847</b>	<b>1,261,555</b>
Decrease in Inventory Reserve	0	0	(8,685)	(8,685)
<b>Fund Balances End of Year</b>	<b>\$ 141,364</b>	<b>\$ 456,470</b>	<b>\$ 113,218</b>	<b>\$ 711,052</b>

See accompanying notes to the basic financial statements

# **CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**

---

## ***Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds To Statement of Activities For the Fiscal Year Ended June 30, 2011***

---

**Net Change in Fund Balances - Total Governmental Funds** \$ (541,818)

***Amounts reported for governmental activities in the statement of activities are different because***

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Depreciation Expense (551,155)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets net of proceeds received.

(96,250)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

450,568

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Issuance of Refunding Bonds	(685,000)	
General Obligation Bond Principal Payment	150,000	
Payment to Refunded Bond Escrow Agent	710,703	
Initiation of Capital Lease	(50,015)	
Payment on Capital Lease	5,505	
	131,193	

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.

(25,400)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated Absences	(87,689)	
Change in Inventory	(8,685)	
	(96,374)	

The internal service funds, which are used by management to charge the costs of services to individual funds, are not included in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities.

735,058

***Change in Net Assets of Governmental Activities*** \$ 5,822

See accompanying notes to the basic financial statements

## **CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Fiscal Year Ended June 30, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 1,056,000	\$ 1,269,299	\$ 1,269,299	\$ 0
Tuition	569,900	591,340	591,340	0
Investment Earnings	35,000	15,268	15,268	0
Class Material and Fees	500	650	650	0
Intergovernmental - State	7,221,200	7,180,289	7,180,289	0
Intergovernmental - Federal	15,000	53,097	53,097	0
All Other Revenues	27,500	45,399	45,399	0
Total Revenues	<u>8,925,100</u>	<u>9,155,342</u>	<u>9,155,342</u>	<u>0</u>
<b>Expenditures:</b>				
Current:				
Instruction	5,383,151	5,346,979	5,264,164	82,815
Support Services:				
Pupils	436,905	453,113	406,327	46,786
Instructional Staff	276,502	279,379	234,419	44,960
Board of Education	80,342	80,342	41,740	38,602
Administration	990,984	934,137	928,995	5,142
Fiscal Services	259,245	269,361	259,564	9,797
Operation and Maintenance of Plant	987,413	1,104,123	1,090,378	13,745
Pupil Transportation	810,037	824,841	806,221	18,620
Extracurricular Activities	236,919	254,206	249,306	4,900
Capital Outlay	65,447	65,697	65,695	2
Debt Service:				
Principal Retirement	30,000	30,000	30,000	0
Interest and Fiscal Charges	11,830	11,830	11,830	0
Total Expenditures	<u>9,568,775</u>	<u>9,654,008</u>	<u>9,388,639</u>	<u>265,369</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(643,675)	(498,666)	(233,297)	265,369
<b>Other Financing Sources (Uses):</b>				
Advances In	80,000	99,823	99,823	0
Advances Out	(80,000)	(168,787)	(168,787)	0
Total Other Financing Sources (Uses):	<u>0</u>	<u>(68,964)</u>	<u>(68,964)</u>	<u>0</u>



***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

---

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(643,675)	(567,630)	(302,261)	265,369
Fund Balance at Beginning of Year	634,480	634,480	634,480	0
Prior Year Encumbrances	<u>279,206</u>	<u>279,206</u>	<u>279,206</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 270,011</u>	<u>\$ 346,056</u>	<u>\$ 611,425</u>	<u>\$ 265,369</u>

See accompanying notes to the basic financial statements

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**

---

***Statement of Net Assets***  
***Proprietary Funds***  
***June 30, 2011***

---

	Governmental Activities - Internal Service Funds
<b>Assets:</b>	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 387,831
<b>Total Assets</b>	<u>387,831</u>
<b>Liabilities:</b>	
<i>Current Liabilities:</i>	
Accounts Payable	130
Claims Payable	152,647
<b>Total Liabilities</b>	<u>152,777</u>
<b>Net Assets:</b>	
Unrestricted	235,054
<b>Total Net Assets</b>	<u>\$ 235,054</u>

See accompanying notes to the basic financial statements

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**

---

***Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2011***

---

	Governmental Activities - Internal Service Funds
<b>Operating Revenues:</b>	
All Other Revenue	\$ 1,767,348
<b>Total Operating Revenues</b>	<u>1,767,348</u>
<b>Operating Expenses:</b>	
Contractual Services	<u>1,032,290</u>
<b>Total Operating Expenses</b>	<u>1,032,290</u>
Change in Net Assets	735,058
Net Assets Beginning of Year	<u>(500,004)</u>
Net Assets End of Year	<u>\$ 235,054</u>

See accompanying notes to the basic financial statements

# ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

---

***Statement of Cash Flows***  
***Proprietary Funds***  
***For the Fiscal Year Ended June 30, 2011***

---

	Governmental Activities - Internal Service Fund
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$1,767,348
Cash Payments for Goods and Services	(1,460,451)
Net Cash Provided by Operating Activities	<u>306,897</u>
Net Increase in Cash and Cash Equivalents	306,897
Cash and Cash Equivalents at Beginning of Year	<u>80,934</u>
Cash and Cash Equivalents at End of Year	<u><u>\$387,831</u></u>
<u>Reconciliation of Operating Loss to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income	\$735,058
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Accounts Payable	130
Decrease in Claims Payables	(428,291)
Total Adjustments	<u>(428,161)</u>
Net Cash Provided by Operating Activities	<u><u>\$306,897</u></u>

See accompanying notes to the basic financial statements

***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

---

***Statement of Net Assets  
Fiduciary Funds  
June 30, 2011***

---

	Private Purpose Trust Fund	Agency Funds	Total
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 21,060	\$ 46,094	\$ 67,154
<b>Total Assets</b>	<u>21,060</u>	<u>46,094</u>	<u>67,154</u>
<b>Liabilities:</b>			
Due to Students	0	46,094	46,094
<b>Total Liabilities</b>	<u>0</u>	<u>46,094</u>	<u>46,094</u>
<b>Net Assets:</b>			
Restricted For Scholarships	21,060	0	21,060
<b>Total Net Assets</b>	<u>\$ 21,060</u>	<u>\$ 0</u>	<u>\$ 21,060</u>

See accompanying notes to the basic financial statements

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**

---

**Statement of Changes in Net Assets**  
**Fiduciary Fund**  
**For the Fiscal Year Ended June 30, 2011**

---

	<u>Private Purpose Trust Fund</u>
<b>Additions:</b>	
Contributions:	
Private Donations	\$ 12,423
Total Additions	<u>12,423</u>
<b>Deductions:</b>	
Use of Assets	11,800
Total Deductions	<u>11,800</u>
Change in Net Assets	623
Net Assets at Beginning of Year	<u>20,437</u>
Net Assets End of Year	<u>\$ 21,060</u>

See accompanying notes to the basic financial statements

# ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

---

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

---

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Reporting Entity**

Crooksville Exempted Village Local School District, Ohio (the District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District is governed by a locally elected five member Board of Education (the Board) which provides educational services. The Board controls the District's instructional support facilities staffed by 48 noncertified, 95 certified teaching personnel and 8 administrative employees providing education to 1,175 students.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," in that the financial statements include all organizations, activities, functions and component units for which the District (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either the District's ability to impose its will over the organization or the possibility that the organization will provide a financial benefit to, or impose a financial burden on, the District. There were no potential component units that met the criteria imposed by GASB Statement No. 14 to be included in the District's reporting entity.

The District was a member of the Southeastern Ohio Voluntary Educational Cooperative (SEOVEC), a jointly governed organization which provides computer service to thirty-eight (38) class "C" sites in a ten (10) county area through April 2011. Beginning May 1, 2011 the District joined the Licking Area Computer Association (LACA). The District is a participant in two other jointly governed organizations, the Mid-East Ohio Career Center and the Coalition of Rural and Appalachian Schools. See Note 15, "Jointly Governed Organizations." The District is also a participant in the Ohio School Boards Association Workers' Compensation Group Rating Plan, an insurance purchasing pool, see Note 15.

The accounting policies and financial reporting practices of the District conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of its significant accounting policies.

#### **B. Basis of Presentation - Fund Accounting**

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are summarized by type in the basic financial statements. The following fund types are used by the District:

# ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

---

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

---

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **B. Basis of Presentation - Fund Accounting** (Continued)

***Governmental Funds*** - These are funds through which most governmental functions typically are financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the District's major governmental funds:

**General Fund** - This fund is the general operating fund of the District and is used to account for all financial resources except those 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 Ohio.

**Bond Retirement Fund** - This fund is used for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

***Proprietary Funds*** - The proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and all liabilities associated with the operation of the proprietary funds are included on the balance sheet. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

**Internal Service Fund** - Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District or to other governments on a cost-reimbursement basis. The Self Insurance Fund accounts for the interfund charges and claim payments applicable to the employee health and dental plans.

***Fiduciary Funds*** - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations or other governments and therefore not available to support the District's own programs. The District's trust fund is a private-purpose trusts that account for scholarship programs for students. The agency fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operation. The District's agency fund is used to account for monies for student activities.

#### **C. Basis of Presentation - Financial Statements**

**Government-wide Financial Statements** - The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.



# ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

---

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

---

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **C. Basis of Presentation – Financial Statements (Continued)**

The government-wide statements are prepared using the economic resources measurement focus, which differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**Fund Financial Statements** – Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

# ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

---

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

---

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **D. Basis of Accounting**

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the District is considered to be 60 days after fiscal year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Under the modified accrual basis, the following revenue sources are considered susceptible to accrual at year end: property taxes, tuition, grants and entitlements, student fees and interest on investments.

Current property taxes measurable at June 30, 2011, and which are not intended to finance fiscal 2011 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 30 days) and amounts available as an advance on future tax settlements are recognized as revenue at year end.

The accrual basis of accounting is utilized for reporting purposes by the government-wide financial statements, agency funds and the private-purpose trust funds. Revenues are recognized when they are earned and expenses are recognized when incurred.

***Revenues – Exchange and Non-exchange Transactions*** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred revenue.

# ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

---

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

---

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **D. Basis of Accounting** (Continued)

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

#### **E. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year.

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The primary level of budgetary control is at the fund level for all funds except for the General Fund which is at the object level. Budgetary modifications may only be made by resolution of the Board of Education.

##### **1. Tax Budget**

By January 15, the Superintendent and Treasurer submit an annual operating budget for the following fiscal year to the Board of Education for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by January 20 of each year for the period July 1 to June 30 of the following fiscal year.

##### **2. Estimated Resources**

Prior to March 15, the Board accepts by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the first and final amended official certificate of estimated resources issued during fiscal year 2011.

# ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

---

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

---

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **E. Budgetary Process** (Continued)

##### **3. Appropriations**

A temporary appropriation measure to control expenditures may be passed on or about July 1 of each year for the period July 1 through September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 through June 30. The appropriation resolution establishes spending controls at the object level for the general fund and at the fund level for all other funds. The appropriation resolution may be amended during the year as additional information becomes available, provided that appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year with approval of the Board. During the year, several supplemental appropriations were necessary to budget the use of contingency funds. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

##### **4. Lapsing of Appropriations**

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

##### **5. Budgetary Basis of Accounting**

The District's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. Encumbrances are recorded as the equivalent of expenditures (budgetary basis) as opposed to unfilled fund balance (GAAP basis).

# ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

---

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

---

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **E. Budgetary Process (Continued)**

##### **5. Budgetary Basis of Accounting (Continued)**

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund:

	<u>Net Change in Fund Balance</u>
	<u>General Fund</u>
GAAP Basis (as reported)	(\$591,653)
Increase (Decrease):	
Accrued Revenues	
at June 30, 2011,	
received during FY 2012	(261,088)
Accrued Revenues	
at June 30, 2010,	
received during FY 2011	666,540
Accrued Expenditures	
at June 30, 2011,	
received during FY 2012	953,097
Accrued Expenditures	
at June 30, 2010,	
received during FY 2011	(1,026,657)
FY 2010 Prepays for FY 2011	94,285
FY 2011 Prepays for FY 2012	(116,036)
Encumbrances Outstanding	(47,449)
Perspective Difference:	
Activity of Funds Reclassified	
for GAAP Reporting Purposes	26,700
Budget Basis	<u>(\$302,261)</u>

#### **F. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits, investments with original maturities of less than three months and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio is a very liquid investment and is reported as a cash equivalent in the basic financial statements.

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 5, "Cash, Cash Equivalents and Investments."

# ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

---

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

---

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the District records all its investments at fair value except for nonparticipating investment contracts (repurchase agreement and certificates of deposit) which are reported at cost, which approximates fair value. See Note 5, "Cash, Cash Equivalents and Investments." During fiscal year 2011, investments were limited to STAR Ohio.

The District has invested funds in the State Treasury Asset Reserve of Ohio during 2011. 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, 2011.

#### **H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2011, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

#### **I. Capital Assets and Depreciation**

The accounting and reporting treatment applied to capital assets is determined by their ultimate use:

##### **1. Property, Plant and Equipment - Governmental Activities**

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Assets, but they are not reported in the Fund Financial Statements. The District follows the policy of not capitalizing assets with a cost of less than \$1,500.

Contributed capital assets are recorded at fair market value at the date received. The District does not possess any infrastructure. Capital asset values were initially determined by identifying historical costs where such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

---

---

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**

---

---

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Capital Assets and Depreciation** (Continued)

2. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (in years)</u>
Land Improvements	20
Buildings and Improvements	30
Machinery/Equipment and Furniture/Fixtures	6-10
Vehicles	10

**J. Long-Term Obligations**

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Bond Retirement Fund
Capital Leases	General Fund
Compensated Absences	General Fund

**K. Compensated Absences**

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," vacation benefits are accrued as a liability when an employee's right to receive compensation is attributable to services already rendered, and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Administrators and classified staff who work twelve month contracts are granted vacation leave based on length of service and position. Sick leave benefits are accrued as a liability using the vesting method. Employees earn 1.25 days of sick leave per month of service up to a maximum of 240 days for STRS employees and 240 days for SERS employees. Upon retirement, employees that pay into STRS will receive up to 25% of the accumulated sick leave up to a maximum of 60 days and employees that pay into SERS will receive up to 25% of the accumulated sick leave up to a maximum of 60 days. Administrators earn sick leave up to 240 days and will be paid up to 25% of accumulated sick leave up to a maximum of 60 days. For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." In the government-wide statement of net assets, "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account.

# ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

---

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

---

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **L. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

#### **M. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

***Nonspendable*** - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

***Restricted*** – The fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

***Committed*** - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board of Education. Those committed amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.



# ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

---

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

---

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **M. Fund Balance (Continued)**

*Assigned* - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the District Board of Education.

*Unassigned* - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

#### **N. Pensions**

The provision for pension costs are recorded when the related payroll is accrued and the obligation is incurred. Pension liabilities expected to be paid from current available financial resources are recorded as a fund liability.

#### **O. Interfund Transactions**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**

---

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Q. Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles 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.

**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE – RECLASSIFICATION OF FUND BALANCES**

For fiscal 2011 the District implemented GASB Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*”.

Statement No. 54 provides more clearly defined categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. It also clarifies the existing governmental fund type definitions. While the application of this new standard did not have an effect on total prior year fund balances, it did result in the reclassification of funds as detailed below:

	<u>General Fund</u>	<u>Other Governmental Funds</u>
Fund Balance		
at June 30, 2010	\$653,466	\$105,398
Fund Reclassification	<u>79,551</u>	<u>(79,551)</u>
Fund Balance, as restated	<u><u>\$733,017</u></u>	<u><u>\$25,847</u></u>

This space intentionally left blank.



## ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

---

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

---

#### **NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments. In addition, investments are separately held by a number of individual funds.

Statutes require the classification of funds held by the District into three categories. Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “near cash” status for immediate use by the District. Such funds must be maintained either as cash in the District Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds - those funds which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- 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;
- 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;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;

# ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

---

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

---

### **NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

No-load money market mutual funds consisting exclusively of obligations described in

- the "first "two "bullets ""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, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).
- Bonds"" of ""any ""municipal ""corporation, ""village, ""county, ""township ""or"" ""other ""political subdivision of this State, as to which there is no default of principal, interest or coupons.

#### **A. Deposits**

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of District cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the District places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end the carrying amount of the District's deposits was \$1,883,301 and the bank balance was \$1,950,042. Federal depository insurance covered \$312,612 of the bank balance and \$1,637,430 was uninsured. Of the remaining uninsured bank balance, the District was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the District's name	<u>\$1,637,430</u>
Total Balance	<u><u>\$1,637,430</u></u>

## ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

#### **NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

##### **B. Investments**

The District's investments at June 30, 2011 were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years)</u>		
			<u>less than 1</u>	<u>1-3</u>	<u>3-5</u>
STAR Ohio	\$45,450	AAAm <sup>1</sup>	\$45,450	\$0	\$0
Total Investments	<u>\$45,450</u>		<u>\$45,450</u>	<u>\$0</u>	<u>\$0</u>

*Interest Rate Risk* – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date.

*Concentration of Credit Risk* – The District places no limit on the amount the District may invest in one issuer.

##### **C. Reconciliation of Cash, Cash Equivalents and Investments**

The classification of cash, cash equivalents and investments on the financial statements is based on criteria set forth in GASB Statement No. 9. Certificates of deposit with an original maturity of three months or less are treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Financial Statements	\$1,928,751	\$0
STAR Ohio	(45,450)	45,450
Per GASB Statement No. 3	<u>\$1,883,301</u>	<u>\$45,450</u>

#### **NOTE 6 - TAXES**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the District. Real property taxes (other than public utility) collected during 2011 were levied after October 1, 2010 on assessed values as of January 1, 2010, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made the third year following reappraisal. The last revaluation was completed in 2010. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

## ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

---

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

---

#### **NOTE 6 – TAXES (Continued)**

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. In prior years, tangible personal property used in business (except for public utilities) was assessed for ad valorem taxation purposes at 25 percent of its true value. As part of a phase out of the personal property tax, the assessment percentage for personal property was reduced to zero in 2010. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually, the first payment is due April 30; with the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including Crooksville Exempted Village School District. The County Auditor periodically remits to the District its portion of the taxes collected. The assessed values for collection in 2011, upon which the 2010 levies were based, were as follows:

	2010 Second Half Collections	2011 First Half Collections
Agricultural/Residential and Other Real Estate	\$44,745,620	\$45,140,200
Public Utility Personal	8,888,130	8,679,670
Total Assessed Value	<u>\$53,633,750</u>	<u>\$53,819,870</u>
Tax rate per \$1,000 of assessed valuation	\$33.80	\$33.80

#### **NOTE 7 - RECEIVABLES**

Receivables at June 30, 2011 consisted of taxes, accounts, intergovernmental, and interfund loan receivables. All receivables are considered collectable in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs, and the current year guarantee of federal funds.

## **CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**

### **Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011**

#### **NOTE 8 - INTERFUND BALANCES**

Following is a summary of interfund receivables/payables for all funds at June 30, 2011:

Fund	Interfund Loans Receivable	Interfund Loans Payable
General Fund	\$168,692	\$0
Other Governmental Funds	0	168,692
Totals	<u>\$168,692</u>	<u>\$168,692</u>

The Interfund Loans are short-term loans to cover temporary cash deficits.

#### **NOTE 9 - CAPITAL ASSETS**

Summary by category of changes in governmental activities capital assets at June 30, 2011:

##### **Historical Cost:**

Class	June 30, 2010	Additions	Deletions	June 30, 2011
<b>Capital assets not being depreciated:</b>				
Land	\$101,300	\$0	(\$2,620)	\$98,680
<b>Capital assets being depreciated:</b>				
Land Improvements	628,248	0	(1,124)	627,124
Buildings and Improvements	17,178,620	0	(5,186)	17,173,434
Machinery/Equipment and Furniture/Fixtures	4,642,931	0	(492,682)	4,150,249
Vehicles	971,816	0	0	971,816
Total Cost	<u>\$23,522,915</u>	<u>\$0</u>	<u>(\$501,612)</u>	<u>\$23,021,303</u>

##### **Accumulated Depreciation:**

Class	June 30, 2010	Additions	Deletions	June 30, 2011
Land Improvements	(\$354,612)	(\$28,798)	\$421	(\$382,989)
Buildings and Improvements	(7,985,654)	(458,815)	2,501	(8,441,968)
Machinery/Equipment and Furniture/Fixtures	(4,155,033)	(46,499)	402,440	(3,799,092)
Vehicles	(830,424)	(17,043)	0	(847,467)
Total Depreciation	<u>(\$13,325,723)</u>	<u>(\$551,155) *</u>	<u>\$405,362</u>	<u>(\$13,471,516)</u>
<b>Net Value:</b>	<u>\$10,197,192</u>			<u>\$9,549,787</u>



# **CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**

---

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

---

### **NOTE 9 - CAPITAL ASSETS (Continued)**

\* Depreciation expenses were charged to governmental functions as follows:

Instruction	\$517,013
Support Services:	
Instructional Staff	2,292
Administration	4,389
Fiscal Services	450
Operations & Maintenance of Plant	3,023
Pupil Transportation	18,852
Operation of Non-Instructional Services	4,023
Extracurricular Activities	1,113
Total Depreciation Expense	<u>\$551,155</u>

### **NOTE 10 - DEFINED BENEFIT PENSION PLANS**

All of the District's full-time employees participate in one of two separate retirement systems which are cost-sharing, multiple-employer defined benefit pension plans.

#### **A. School Employee Retirement System**

**Plan Description** - The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. Interested parties may obtain a copy by making a written request to SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (800) 878-5853. It is also posted on SERS' website, [www.ohsers.org](http://www.ohsers.org), under Forms and Publications.

**Funding Policy** - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2011, 11.81 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010 and 2009 were \$192,921, \$175,137 and \$192,792 respectively, which were equal to the required contributions for each year.

## ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

---

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

---

#### **NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)**

##### **B. State Teachers Retirement System**

Plan Description - The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member.

A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal year ended June 30, 2011, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2010, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

## ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

---

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

---

#### **NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)**

##### **B. State Teachers Retirement System** (Continued)

The District's contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2011, 2010, and 2009 were \$640,052, \$637,795, and \$675,408 respectively; which were equal to the required contributions for each year. Contributions to the DC and Combined Plans for fiscal year 2011 were \$6,420 made by the District and \$4,586 made by the plan members.

#### **NOTE 11 - POSTEMPLOYMENT BENEFITS**

##### **A. School Employee Retirement System**

Plan Description – The District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2011, 1.43 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2011, this amount was \$35,800.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$23,360, \$38,051, and \$77,810 respectively; which were equal to the required contributions for each year.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2011, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2011, 2010, and 2009 were \$12,415, \$9,045, and \$9,089 respectively; which were equal to the required contributions for each year.

## ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

---

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

---

#### **NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)**

##### **B. State Teachers Retirement System**

Plan Description – The District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2011, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$49,235, \$49,061, and \$48,243 respectively; which were equal to the required contributions for each year.

This space intentionally left blank.

# **CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**

## **Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011**

### **NOTE 12 - LONG-TERM DEBT AND OTHER OBLIGATIONS**

Detail of the changes in long-term debt and other long-term obligations of the District for the year ended June 30, 2011 are as follows:

			Balance			Balance	Amount Due
			June 30, 2010	Additions	Deductions	June 30, 2011	Within One Year
<b>Governmental Activities:</b>							
General Obligation Bonds:							
1986	School Facilities	7.38%	\$60,000	\$0	(\$60,000)	\$0	\$0
2000	Classroom Facilities	4.8-5.6%	761,000	0	(745,000)	16,000	0
2003	General Bond	3.5-4.9%	265,000	0	(30,000)	235,000	30,000
2011	Refunding Bond	1.9-4.0%	<u>0</u>	<u>685,000</u>	<u>0</u>	<u>685,000</u>	<u>75,000</u>
Total General Obligation Bonds			1,086,000	685,000	(835,000)	936,000	105,000
Capital Leases			0	50,015	(5,505)	44,510	7,507
Compensated Absences			<u>454,249</u>	<u>138,245</u>	<u>(68,137)</u>	<u>524,357</u>	<u>83,450</u>
Total Long-Term Obligations			<u>\$1,540,249</u>	<u>\$873,260</u>	<u>(\$908,642)</u>	<u>\$1,504,867</u>	<u>\$195,957</u>

#### **A. Principal and Interest Requirements**

A summary of the District's future long-term debt funding requirements, including principal and interest payments as of June 30, 2011, follows:

Years	General Obligation Bonds	
	Principal	Interest
2012	\$105,000	\$32,138
2013	46,361	123,619
2014	45,271	123,170
2015	49,368	122,350
2016	50,000	84,908
2017-2021	460,000	75,886
2022-2023	<u>180,000</u>	<u>7,200</u>
Totals	<u>\$936,000</u>	<u>\$569,270</u>

## ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

---

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

---

#### **NOTE 12 - LONG-TERM DEBT AND OTHER OBLIGATIONS (Continued)**

##### **B. Defeased Debt**

In February 2011, the District partially refunded \$685,000 of General Obligation Bonds for Classroom Facilities Series 2000, dated July 5, 2000, through the issuance of \$685,000 of General Obligation Bonds. The net proceeds of the 2011 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$685,000 at June 30, 2011, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding. The District's aggregate debt service payments over the life of the refunded bonds decreased by \$61,980. The District obtained an economic gain (difference between the present values of the old and new debt service payments) of \$49,263.

#### **NOTE 13 - CAPITAL LEASE COMMITMENTS**

The District is party to one lease for four copiers that meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease as one which transfers benefits and risks of ownership to the lessee. The original costs of the assets under capital lease are \$50,015.

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2011:

<u>Year Ending June 30,</u>	<u>Capital Leases</u>
2012	\$13,270
2013	13,270
2014	13,270
2015	13,270
2016	<u>7,271</u>
Minimum Lease Payments	60,350
Less: Amount representing interest at the District's incremental borrowing rate of interest	<u>(15,840)</u>
Present value of minimum lease payments	<u><u>\$44,510</u></u>

# **CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**

## **Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011**

### **NOTE 14 - STATUTORY RESERVES**

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2011, the reserve activity (cash-basis) was as follows:

	Textbook Reserve	Capital Acquisition Reserve	Total
Set-aside Cash Balance as of June 30, 2010	(\$96,292)	\$159,602	\$63,310
Current Year Set-Aside Requirement	160,862	160,862	321,724
Current Year Offset Credits	0	(23,218)	(23,218)
Qualifying Disbursements	(200,237)	(114,345)	(314,582)
Total	<u>(\$135,667)</u>	<u>\$182,901</u>	<u>\$47,234</u>
Cash Balance Carried Forward to FY 2012	<u>0</u>	<u>\$182,901</u>	<u>\$182,901</u>

The District had qualifying disbursements and balance carry forward that reduced the set-aside amount below zero for the textbook set-aside. Effective July 1, 2011, the textbook set aside is no longer required as the obligation was repealed by the 129th General Assembly in Amended Substitute House Bill 30. This balance is therefore not presented as being carried forward to a future fiscal year.

### **NOTE 15 - JOINTLY GOVERNED ORGANIZATION**

*Southeast Ohio Voluntary Educational Cooperative (SEOVEC)* - SEOVEC was created as a regional council of governments pursuant to state statutes. SEOVEC is a computer cooperative formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. SEOVEC has 38 participants consisting of 30 school districts and 8 educational service centers. SEOVEC is governed by a governing board, which is selected by member districts. SEOVEC possesses its own budgeting and taxing authority. To obtain financial information, write to: Southeast Ohio Voluntary Educational Cooperative, Bobbi Weidner, Treasurer, at 221 North Columbus Road, Athens, Ohio 45701. The District resigned from SEOVEC as of April 30, 2011.

The District joined the Licking Area Computer Association (LACA), which is a computer consortium of public school districts, effective May 1, 2011. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of LACA consists of thirteen members made up of thirteen district superintendents. The continued existence of LACA is not dependent on the District's continued participation and no equity interest exists. The LACA constitution states that any school district withdrawing from the Association prior to dissolution forfeits their claim to the Association's capital assets. Financial information can be obtained from their fiscal agent, the Career and Technology Education Centers of Licking County, Treasurer, at 150 Price Road, Newark, Ohio 43055.

## ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

---

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

---

#### **NOTE 15 - JOINTLY GOVERNED ORGANIZATION (Continued)**

*Mid-East Ohio Career Center* - The Mid-East Ohio Career Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of eleven appointed representatives from the eight participating school districts. The Board possesses its own budgeting and taxing authority. To obtain financial information, write to: Mid-East Ohio Career Center, Rick White, CPA, Treasurer, at 400 Richards Road, Zanesville, Ohio 43701.

*Coalition of Rural and Appalachian Schools* – The Coalition of Rural and Appalachian Schools is a jointly governed organization including over 100 school districts in southeastern Ohio. The Coalition is operated by a Board which is composed of fourteen members. The Board members are composed of one superintendent from each County elected by the school districts within that County. The Coalition provides various services for school district administrative personnel; gathers data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Coalition is not dependent upon the continued participation of the School District and the School District does not maintain an equity interest in or a financial responsibility for the Coalition. The School District made no significant payments for membership in fiscal year 2011.

*Educational Regional Service System Region 16* – The School District participates in the Educational Regional Service System (ERSS) Region 16, a jointly governed organization consisting of educational entities within Athens, Gallia, Hocking, Jackson, Meigs, Monroe, Morgan, Perry, Vinton, and Washington counties. The purpose of the ERSS is to provide support services to school districts, community schools, and chartered nonpublic schools within the region by supporting State and school initiatives and efforts to improve school effectiveness and student achievement with a specific reference to the provision of special education and related services. The ERSS is governed by an advisory council, which is the policymaking body for the educational entities within the region, who identifies regional needs and priorities for educational services and develops corresponding policies to coordinate the delivery of services. They are also charged with the responsibility of monitoring the implementation of State and regional initiatives and school improvement efforts. The Advisory Council is made up of the director of the ERSS, the superintendent of each educational service center within the region, the superintendent of the region's largest and smallest school district, the director and an employee from each education technology center, one representative of a four-year institution of higher education and appointed by the Ohio Board of Regents, one representative of a two-year institution of higher education and appointed by the Ohio Association of Community Colleges, three board of education members (one each from a city, exempted village, and local school district within the region), and one business representative. The degree of control exercised by any participating educational entity is limited to its representation on the Advisory Council. Financial information can be obtained from the Perry-Hocking Educational Service Center, Airport Road, New Lexington, OH 43764.



**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO**

---

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011**

---

**NOTE 16 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During fiscal year 2011 the District contracted with several different insurance providers for various insurance coverages, as follows:

Insurance Provider	Coverage	Deductible
Ohio Casualty	Property & Boiler	\$1,000
Ohio Casualty	Automobile	\$250 / \$500
Hylant Administration Service	General Liability	\$0
Hylant Administration Service	Education Legal	\$5,000
Hylant Administration Service	Liability	\$5,000

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

The School District also maintains a limited medical insurance program for employees. Premiums are paid to a third party administrator, Medical Mutual of Ohio. The claims are processed by the third party administrator and monitored by the School District in conjunction with the third party administrator. An internal service fund is presented in the financial statements and reflects premiums paid into the self-insurance fund by other funds which are available to pay claims and administrative costs, and establish claims reserves. The outstanding claims at June 30, 2011, for the medical self-insurance program amounted to \$152,647.

The claims liability reported in the fund at June 30, 2011 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount in 2011 were:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2010	\$184,460	\$2,699,792	(\$2,303,314)	\$580,938
2011	\$580,938	\$603,999	(\$1,032,290)	\$152,647

# ***CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT, OHIO***

---

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

---

### **NOTE 16 - RISK MANAGEMENT (Continued)**

The District participates in the Ohio School Plan (OSP), an insurance purchasing pool. The OSP is created and organized pursuant to and authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a fifteen member Board of directors consisting of school district superintendents and treasurers. Hylant Group Inc. is the administrator of the OSP and is responsible for processing claims. Harcum-Schuetz Insurance Agency, Inc. is the sales and marketing representative, which establishes agreements between OSP and member schools.

Workers' compensation claims are covered through the District's participation in the State of Ohio's program. The District pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on accident history and administrative costs.

### **NOTE 17 – INSURANCE PURCHASING POOL**

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

The Plan'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 the coordinator of the program. Each year, the participating school districts pay an enrollment fee to the Plan to cover the costs of administering the program.

### **NOTE 18 - CONTINGENCIES**

#### **A. Grants**

The District receives financial assistance from federal and state 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 adverse effect on the overall financial position of the District at June 30, 2011.

"  
"

### **NOTE 19 – SUBSEQUENT EVENTS**

On July 6, 2011, the District issued energy conservation improvement bonds, in the amount of \$320,000 for the purposes of providing funding for energy conservation improvements. The bonds have an interest rate that ranges from 1.75 to 4 percent and mature on December 1, 2025.

**Crooksville Exempted Village School District**  
**Perry County**  
Schedule of Federal Awards Expenditures  
For The Fiscal Year Ended June 30, 2011

Federal Grantor/Pass Through Grantor Program Title	CFDA Number	Pass-Through Entity Number	Federal Receipts	Federal Disbursements
<b>U.S. DEPARTMENT OF EDUCATION</b>				
(Pass through Ohio Department of Education)				
Title I Educationally Deprived Children 2010	84.010	045351C1S12010	\$ -	\$ 11,755
Title I Educationally Deprived Children 2011	84.010	045351C1S12011	268,036	268,036
Title I Educationally Deprived Children Literacy In	84.010	N/A	-	56,803
ARRA - Title I Educationally Deprived Children 2011	84.389	N/A	42,055	63,182
<b>Total Title I</b>			<u>310,091</u>	<u>399,776</u>
Special Education Cluster:				
Title VI-B 2010	84.027	0453516BSF10P	29,608	22,588
Title VI-B 2011	84.027	0453516BSF11P	215,861	205,142
ARRA - Title VI-B 2010	84.391	N/A	12,611	19,256
ARRA - Title VI-B 2011	84.391	N/A	106,212	106,212
Special Education Preschool Grant	84.173	045351PGSC11P	5,874	5,874
ARRA - Special Education Preschool Grant 2010	84.392	N/A	1,108	1,263
ARRA - Special Education Preschool Grant 2011	84.392	N/A	577	577
<b>Total Special Education Cluster</b>			<u>371,851</u>	<u>360,912</u>
Title II-D Education Technology State Grants	84.318	045351TJS12010	539	893
<b>Total Title II-D</b>			<u>539</u>	<u>893</u>
Reading First-Ohio 2010	84.357	045351RSS12010	29,224	28,313
Reading First-Ohio 2011	84.357	045351RSS12011	274,061	274,061
<b>Total Reading First-Ohio</b>			<u>303,285</u>	<u>302,374</u>
Title VI-B 2011	84.358	N/A	24,957	24,957
<b>Total Title VI-B</b>			<u>24,957</u>	<u>24,957</u>
Title II-A Improving Teacher Quality State Grants 2010	84.367	045351TRS12010	5,075	9,720
Title II-A Improving Teacher Quality State Grants 2011	84.367	045351TRS12011	66,602	63,173
<b>Total Title II-A</b>			<u>71,677</u>	<u>72,893</u>
Teacher Incentive Fund 2011	84.385	N/A	6,538	53,235
<b>Total Teacher Incentive Fund</b>			<u>6,538</u>	<u>53,235</u>
ARRA - State fiscal stabilization 2010	84.394	N/A	-	19,703
ARRA - State fiscal stabilization 2011	84.394	N/A	570,346	570,346
<b>Total State fiscal stabilization</b>			<u>570,346</u>	<u>590,049</u>
Race to the Top 2011	84.395	N/A	17,214	20,055
Race to the Top 2011 OAC	84.395	N/A	4,887	-
<b>Total Race to the Top</b>			<u>22,101</u>	<u>20,055</u>
Education Jobs Fund 2011	84.410	N/A	299,638	274,993
<b>Total Education Jobs Fund</b>			<u>299,638</u>	<u>274,993</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u>1,981,023</u>	<u>2,100,137</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
(Pass through Ohio Department of Education)				
Medicaid Reimbursement Program	93.778	N/A	53,097	-
<b>Total Medicaid Reimbursement Program</b>			<u>53,097</u>	<u>-</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>53,097</u>	<u>-</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Nutrition Cluster:				
(Direct Program)				
Non-Cash Assistance:				
Federal Donated Food Commodity (Passed through Ohio Department of Education)	10.555	N/A	12,133	12,133
Non-Cash Assistance:				
School Breakfast Program	10.553	N/A	131,902	131,902
School Lunch Program	10.555	N/A	244,825	244,825
<b>Total Nutrition Cluster</b>			<u>388,860</u>	<u>388,860</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>388,860</u>	<u>388,860</u>
<b>TOTAL FEDERAL ASSISTANCE</b>			<u>\$ 2,422,980</u>	<u>\$ 2,488,997</u>

See notes to the Schedule of Federal Awards Expenditures

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT**  
**PERRY COUNTY**  
**Notes to the Schedule of Federal Awards Expenditures**  
**For the Year Ended June 30, 2011**

1. 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. Consequently, certain expenditures are recognized when received rather than when earned, and certain expenditures are recognized when paid rather than when the obligation is incurred.

2. Food Distribution

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2011, the District had commodities in inventory recorded in the Food Service Fund.

3. Medicaid Reimbursement

This amount relates to settlement for services provided during prior years.

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

---

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS

Crooksville Exempted Village School District  
Perry County  
4065 School Drive  
Crooksville, Ohio 43731

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Crooksville Exempted Village School District, Perry County, Ohio (the District) as of and for the year ended June 30, 2011, and have issued our report thereon dated March 20, 2012, wherein we noted the District implemented Governmental Accounting Standard Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". 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.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and timely corrected.

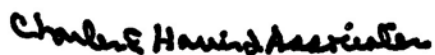
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings that we consider to be a significant deficiency in internal control over financial reporting. We consider finding 2011-001 to be a significant deficiency. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

## Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that we must report under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2011-001.

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the finance committee, management, the Board of Education, federal awarding agencies and pass-through entities and others within the District. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Charles E. Harris".

*Charles E. Harris & Associates, Inc.*

March 20, 2012

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland, OH 44113-1306  
Office phone - (216) 575-1630  
Fax (216) 436-2411

***Charles E. Harris & Associates, Inc.***  
***Certified Public Accountants***

---

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

Crooksville Exempted Village School District  
Perry County  
4065 School Drive  
Crooksville, Ohio 43731

To the Board of Education:

Compliance

We have audited the compliance of the Crooksville Exempted Village School District, Perry County (District), with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the District's major federal programs for the year ended June 30, 2011. The summary of auditor's results section of the accompanying schedule of findings and questioned costs identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the District's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with these requirements.

In our opinion, the Crooksville Exempted Village School District complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with these requirements that, while not affecting our opinion on compliance, OMB Circular A-133 requires us to report. The accompanying schedule of findings and questioned costs lists this instance as Finding 2011-001.

## Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency, described in the accompanying Schedule of Findings as item 2011-001. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a federal program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The District's response to the finding is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Education, the audit committee, others within the entity, federal awarding agencies and pass-through entities. It is not intended for anyone other than these specified parties.



*Charles E. Harris and Associates, Inc.*  
March 20, 2012



**CROOKSVILE EXEMPTED VILLAGE SCHOOL DISTRICT  
PERRY COUNTY  
June 30, 2011**

**OMB CIRCULAR A-133 SECTION .505  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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

(d)(1)(i)	Type of Financial Statement Unqualified Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies reported for major federal programs?	Yes
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under Section .510(a)	Yes
(d)(1)(vii)	Major Programs:	CFDA # 84.010 and 84.389: Title I CFDA # 84.027, 84.391, 84.173, and 84.392: Special Education Cluster - Title VI-B CFDA # 84.394: State fiscal stabilization ARRA CFDA # 10.553 and 10.555: Nutrition Cluster
(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**

See finding #2011-001 in section 3 below.

**CROOKSVILE EXEMPTED VILLAGE SCHOOL DISTRICT  
PERRY COUNTY  
June 30, 2011**

**OMB CIRCULAR A-133 SECTION .505  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (Continued)**

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

**Finding #2011-001**

**Noncompliance Citation / Significant Deficiency/Questioned Costs**

**Ohio Revised Code Section 3313.24, Compensation of treasurer**, states, in part, that “(A) At the time of the appointment or designation of the term of office of the treasurer, subject to division (B) of this section, the board of education of each local, exempted village, or city school district shall fix the compensation of its treasurer, which shall be paid from the general fund of the district.” Also, Ohio Department of Education provided guidance in April 2004 regarding treasurer compensation specifically referring to Ohio Revised Code Section 3313.24 and clarifying treasurer compensation requirements.

From July 1, 2004 through November 23, 2011, the District paid the Treasurer \$1,300 annually from the Title I Fund 572 and \$1,000 annually from the IDEA B Fund 516, totaling \$10,029 from Fund 572 and \$8,000 from Fund 516 during that period. Additionally, from July 1, 2004 through June 30, 2006, the District paid the Treasurer \$2,500 annually from the Miscellaneous Federal Grants Fund 599 (Reading First-Ohio), totaling \$5,000 during that period. These payments were in addition to approved salary amounts for the Treasurer as authorized by the Crooksville Exempted Village School District Board of Education. There were no supplemental contracts or other indications of Board approval of any such supplemental payments to the Treasurer during this period. In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, we have notified the Ohio Auditor of State’s Office of the above-mentioned facts for possible further actions.

Below are the amounts by grant for each fiscal year:

**Title I Educationally Deprived Children  
U.S. Department of Education  
Passed through the Ohio Department of Education**

Fiscal Year	CFDA #	Pass Through Entity Number	Amount
2005	84.010	045351C1S12005	\$ 1,300
2006	84.010	045351C1S12006	1,300
2007	84.010	045351C1S12007	1,300
2008	84.010	045351C1S12008	1,300
2009	84.010	045351C1S12009	1,300
2010	84.010	045351C1S12010	1,300
2011	84.010	045351C1S12011	1,300
2012	84.010	045351C1S12012	<u>929</u>
Subtotal			<u>\$10,029</u>

**CROOKSVILE EXEMPTED VILLAGE SCHOOL DISTRICT  
PERRY COUNTY  
June 30, 2011**

**OMB CIRCULAR A-133 SECTION .505  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (Continued)**

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

**Title VI-B Special Education  
U.S. Department of Education  
Passed through the Ohio Department of Education**

<u>Fiscal Year</u>	<u>CFDA #</u>	<u>Pass Through Entity Number</u>	<u>Amount</u>
2005	84.027	0453516BSF05P	\$ 1,000
2006	84.027	0453516BSF06P	1,000
2007	84.027	0453516BSF07P	1,000
2008	84.027	0453516BSF08P	1,000
2009	84.027	0453516BSF09P	1,000
2010	84.027	0453516BSF10P	1,000
2011	84.027	0453516BSF11P	1,000
2012	84.027	0453516BSF12P	<u>1,000</u>
Subtotal			<u>\$ 8,000</u>

**Reading First-Ohio  
U.S. Department of Education  
Passed through the Ohio Department of Education**

<u>Fiscal Year</u>	<u>CFDA #</u>	<u>Pass Through Entity Number</u>	<u>Amount</u>
2005	84.357	0435RSS12005	\$ 2,500
2006	84.357	0435RSS12006	<u>2,500</u>
Subtotal			<u>\$ 5,000</u>
Total			<u>\$23,029</u>

We recommend that the Superintendent or any official reviewing the payroll sign the document and initial each page included in the pay period. We also recommend that the reviewing employee also mathematically check certain employees to ascertain that they are not receiving payments in excess of contract amounts and the payments are from the correct fund(s). The amounts charged to Title I (\$10,029) are considered questioned costs.

All amounts listed above were paid back to the District by the former Treasurer on March 20, 2012.

**Corrective Action Plan:**

We will strengthen internal controls by reviewing signed timesheets for accuracy and compliance with employment contracts starting immediately. Discussion held with Kyle Newton, Superintendent.

**CROOKSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT  
PERRY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2011**

The prior audit report, for the year ending June 30, 2010, reported no material citations or recommendations.

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

---

Independent Accountants' Report on Applying Agreed-Upon Procedure

Crooksville Exempted Village School District  
Perry County  
4065 School Drive  
Crooksville, Ohio 43731

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether Crooksville Exempted Village School District has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We noted the Board of Education amended its anti-harassment policy at its meeting on May 25, 2010 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Education and is not intended to be and should not be used by anyone other than these specified parties.

*Charles Harris Associates*

***Charles E. Harris & Associates, Inc.***  
March 20, 2012

**This page intentionally left blank.**



# Dave Yost • Auditor of State

**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  
MAY 24, 2012**