



Dave Yost • Auditor of State

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Colonel Crawford Local School District
Crawford County
2303 State Route 602
North Robinson, Ohio 44856

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 Colonel Crawford Local School District, Crawford County, Ohio, (the District), as of and for the year ended June 30, 2012, 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 opinions 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the 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 Colonel Crawford Local School District, Crawford County, Ohio, as of June 30, 2012, and the respective changes in financial position thereof 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2013, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential 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 other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The federal awards receipts and expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The federal awards receipts and expenditures schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State

February 12, 2013

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)**

The discussion and analysis of the Colonel Crawford Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2012 are as follows:

- In total, net assets of governmental activities increased \$33,040 which represents a 0.64% increase from 2011.
- General revenues accounted for \$8,513,916 in revenue or 79.35% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,215,069 or 20.65% of total revenues of \$10,728,985.
- The District had \$10,695,945 in expenses related to governmental activities; \$2,215,069 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$8,513,916 were adequate to provide for these programs.
- The District's major governmental funds are the general fund, the debt service fund and the permanent improvement fund. The general fund had \$8,860,520 in revenues and other financing sources and \$8,666,011 in expenditures. During fiscal year 2012, the general fund's fund balance increased \$194,509 from \$1,861,553 to \$2,056,062.
- The debt service fund had \$950,337 in revenues and \$947,892 in expenditures. During fiscal year 2012, the debt service fund's fund balance increased \$2,445 from \$908,774 to \$911,219.
- The permanent improvement fund had \$1,230 in revenues. During fiscal year 2012, the permanent improvement fund balance increased \$1,230 from \$646,416 to \$647,646.

Using these Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *statement of net assets* and *statement of activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund, the debt service fund and the permanent improvement fund are by far the most significant funds, and the only governmental funds reported as major funds.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)
(CONTINUED)**

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?" The statement of net assets and the statement of activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the *financial position* of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net assets and the statement of activities, the governmental activities include the District's programs and services, including instruction, support services, operation of non-instructional services, extracurricular activities, and interest and fiscal charges.

The District's statement of net assets and statement of activities can be found on pages 15-16 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 10. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund, the debt service fund and the permanent improvement fund.

Governmental Funds

Most of 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* than can readily be converted to cash. The governmental fund financial 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 basic financial statements. The basic governmental fund financial statements can be found on pages 17-21 of this report.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)
(CONTINUED)**

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals or other entities. These activities are reported in agency funds. All of the District's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets on pages 22 and 23. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 25-55 of this report.

The District as a Whole

Recall that the statement of net assets provides the perspective of the District as a whole.

The table below provides a summary of the District's net assets at June 30, 2012 and June 30, 2011.

	Net Assets	
	Governmental Activities 2012	Governmental Activities 2011
<u>Assets</u>		
Current and other assets	\$ 7,118,008	\$ 6,607,736
Capital assets, net	15,260,694	15,722,162
Total assets	22,378,702	22,329,898
<u>Liabilities</u>		
Current liabilities	3,260,798	2,925,381
Long-term liabilities	13,886,528	14,206,181
Total liabilities	17,147,326	17,131,562
<u>Net Assets</u>		
Invested in capital assets, net of related debt	2,900,280	3,027,004
Restricted	818,034	1,000,976
Unrestricted	1,513,062	1,170,356
Total net assets	\$ 5,231,376	\$ 5,198,336

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

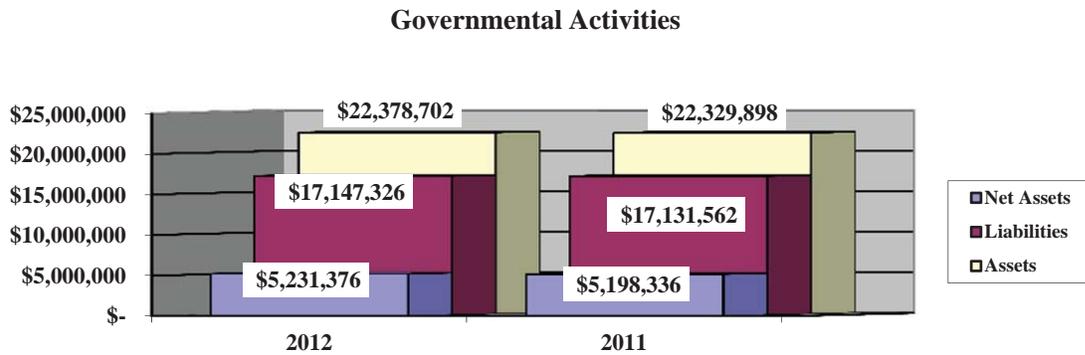
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)
(CONTINUED)**

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2012, the District's assets exceeded liabilities by \$5,231,376. Of this total, \$818,034 is restricted in use.

At year-end, capital assets represented 68.19% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment, and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2012, were \$2,900,280. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$818,034, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets of \$1,513,062 may be used to meet the District's ongoing obligations to the students and creditors.

The graph below shows the District's assets, liabilities and net assets at June 30, 2012 and June 30, 2011:



The table below shows the change in net assets for fiscal year 2012 and 2011.

	Change in Net Assets	
	Governmental Activities <u>2012</u>	Governmental Activities <u>2011</u>
Revenues		
Program revenues:		
Charges for services and sales	\$ 1,473,661	\$ 1,277,138
Operating grants and contributions	741,408	1,195,287
General revenues:		
Property taxes	3,096,629	2,904,248
Income taxes	1,594,402	1,445,080
Grants and entitlements	3,793,457	3,958,765
Investment earnings	8,849	14,838
Other	20,579	5,329
Total revenues	10,728,985	10,800,685

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)
(CONTINUED)**

Change in Net Assets

	<u>Governmental Activities 2012</u>	<u>Governmental Activities 2011</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	\$ 4,343,950	\$ 4,015,733
Special	1,235,562	1,397,348
Vocational	25,013	33,768
Other	1,175	418
Support services:		
Pupil	698,794	614,846
Instructional staff	254,627	265,945
Board of education	23,267	24,322
Administration	628,353	742,949
Fiscal	340,525	318,410
Business	2,461	206
Operations and maintenance	960,884	997,994
Pupil transportation	665,812	621,800
Central	53,545	59,847
Operations of non-instructional services:		
Other non-instructional services	50,888	49,648
Food service operations	351,737	372,695
Extracurricular activities	401,431	419,132
Interest and fiscal charges	<u>657,921</u>	<u>694,961</u>
Total expenses	<u>10,695,945</u>	<u>10,630,022</u>
Change in net assets	33,040	170,663
Net assets at beginning of year	<u>5,198,336</u>	<u>5,027,673</u>
Net assets at end of year	<u>\$ 5,231,376</u>	<u>\$ 5,198,336</u>

Governmental Activities

Net assets of the District's governmental activities increased \$33,040. Total governmental expenses of \$10,695,945 were offset by program revenues of \$2,215,069 and general revenues of \$8,513,916. Program revenues supported 20.71% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, income taxes, and grants and entitlements. These revenue sources represent 79.08% of total governmental revenue.

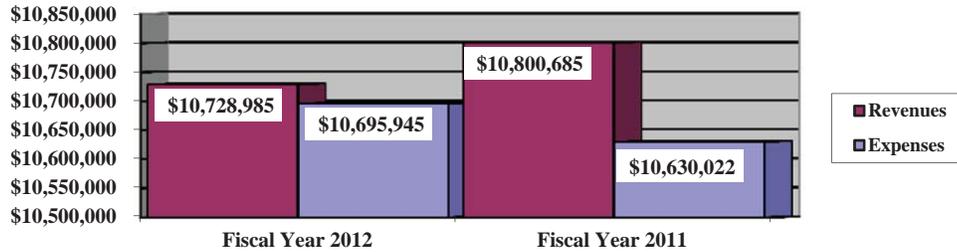
The largest expense of the District is for instructional programs. Instruction expenses totaled \$5,605,700 or 52.41% of total governmental expenses for fiscal year 2012.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)
(CONTINUED)**

The graph below presents the District's governmental activities revenues and expenses for fiscal year 2012 and 2011.

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. The total cost of services represents the total cost the District incurred to provide the service and the net cost of services represents the cost of the service after applying specific program revenues attributable to that service.

Governmental Activities

	Total Cost of Services <u>2012</u>	Net Cost of Services <u>2012</u>	Total Cost of Services <u>2011</u>	Net Cost of Services <u>2011</u>
Program expenses				
Instruction:				
Regular	\$ 4,343,950	\$ 3,404,523	\$ 4,015,733	\$ 3,094,361
Special	1,235,562	489,882	1,397,348	591,217
Vocational	25,013	22,806	33,768	31,561
Other	1,175	1,175	418	418
Support services:				
Pupil	698,794	672,924	614,846	586,804
Instructional staff	254,627	246,079	265,945	256,505
Board of education	23,267	23,267	24,322	24,322
Administration	628,353	620,817	742,949	693,949
Fiscal	340,525	340,525	318,410	318,410
Business	2,461	2,461	206	206
Operations and maintenance	960,884	956,609	997,994	812,926
Pupil transportation	665,812	655,161	621,800	611,996
Central	53,545	53,545	59,847	54,847
Operations of non-instructional services:				
Other non-instructional services	50,888	19,504	49,648	22,143
Food service operations	351,737	31,936	372,695	55,854
Extracurricular activities	401,431	281,741	419,132	307,117
Interest and fiscal charges	<u>657,921</u>	<u>657,921</u>	<u>694,961</u>	<u>694,961</u>
Total expenses	<u>\$ 10,695,945</u>	<u>\$ 8,480,876</u>	<u>\$ 10,630,022</u>	<u>\$ 8,157,597</u>

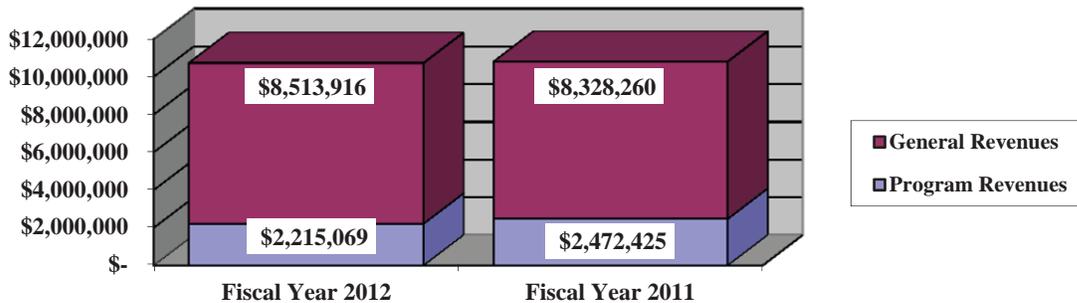
**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)
(CONTINUED)**

The dependence upon tax and other general revenues for governmental activities is apparent, 69.90% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 79.59%. The District's taxpayers and unrestricted grants and entitlements are by far the primary support for District's students.

The graph below presents the District's governmental activities revenues for fiscal year 2012 and 2011.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds reported a combined fund balance of \$3,659,038, which is greater than last year's total of \$3,458,312. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2012 and June 30, 2011.

	Fund Balance June 30, 2012	Fund Balance June 30, 2011	Change	Percentage Change
General	\$ 2,056,062	\$ 1,861,553	\$ 194,509	10.45 %
Debt Service	911,219	908,774	2,445	0.27 %
Permanent Improvement	647,646	646,416	1,230	0.19 %
Other Governmental	44,111	41,569	2,542	6.12 %
Total	\$ 3,659,038	\$ 3,458,312	\$ 200,726	5.80 %

General Fund

The District's general fund balance increased \$194,509.

Revenues of the general fund increased \$234,323 or 2.72%. The most significant increases were in the areas of taxes and tuition which increased \$181,120 or 4.86% and \$196,340 or 21.31%, respectively. While income taxes increased slightly from the prior year, property taxes increased \$134,553 due to an increase in real estate taxes collections. The increase in tuition was the result of an increase in open enrollment students. Intergovernmental revenues decreased \$165,834 due to a decrease in tangible personal property tax reimbursements from the State.

Expenditures of the general fund increased \$337,011 or 4.05%. The most significant increase was in the area of instruction which increased \$318,976. This increase was primarily the result of wage increases for employees.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)
(CONTINUED)**

The table that follows assists in illustrating the financial activities of the general fund.

	<u>2012 Amount</u>	<u>2011 Amount</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
<u>Revenues</u>				
Taxes	\$ 3,905,515	\$ 3,724,395	\$ 181,120	4.86 %
Earnings on investments	8,848	13,651	(4,803)	(35.18) %
Intergovernmental	3,692,718	3,858,552	(165,834)	(4.30) %
Tuition	1,117,737	921,397	196,340	21.31 %
Other revenues	<u>131,055</u>	<u>103,555</u>	<u>27,500</u>	26.56 %
Total	<u>\$ 8,855,873</u>	<u>\$ 8,621,550</u>	<u>\$ 234,323</u>	2.72 %
<u>Expenditures</u>				
Instruction	\$ 4,959,776	\$ 4,640,800	\$ 318,976	6.87 %
Support services	3,293,656	3,250,718	42,938	1.32 %
Non-instructional services	50,888	49,648	1,240	2.50 %
Extracurricular activities	300,836	315,692	(14,856)	(4.71) %
Facilities acquisition and construction	44,086	55,373	(11,287)	(20.38) %
Debt service	<u>16,769</u>	<u>16,769</u>	<u>-</u>	- %
Total	<u>\$ 8,666,011</u>	<u>\$ 8,329,000</u>	<u>\$ 337,011</u>	4.05 %

Debt Service Fund

The debt service fund had \$950,337 in revenues and \$947,892 in expenditures. During fiscal year 2012, the debt service fund's fund balance increased \$2,445 from \$908,774 to \$911,219.

Permanent Improvement Fund

The permanent improvement fund had \$1,230 in revenues. During fiscal year 2012, the permanent improvement fund balance increased \$1,230 from \$646,416 to \$647,646.

General Fund Budgeting Highlights

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.

During the course of fiscal year 2012, the District amended its general fund budget several times. For the general fund, original budgeted revenues and other financing sources were \$8,196,403 and final budgeted revenues and other financing sources were \$8,770,939. Actual revenues and other financing sources for fiscal year 2012 was \$8,760,597. This represents a \$10,342 decrease from final budgeted revenues.

General fund original appropriations (appropriated expenditures including other financing uses) totaled \$8,656,671, which were decreased to \$8,617,172 in the final appropriations. The actual budget basis expenditures and other financing uses for fiscal year 2012 totaled \$8,572,102, which was \$45,070 less than the final budget appropriations.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)
(CONTINUED)**

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2012, the District had \$15,260,694 invested in land, land improvements, buildings and improvements, furniture and equipment and vehicles. This entire amount is reported in governmental activities. The following table shows June 30, 2012 balances compared to June 30, 2011:

**Capital Assets at June 30
(Net of Depreciation)**

	Governmental Activities	
	2012	2011
Land	\$ 195,904	\$ 195,904
Land improvements	135,424	149,620
Building and improvements	14,196,844	14,525,518
Furniture and equipment	368,599	416,463
Vehicles	363,923	434,657
Total	\$ 15,260,694	\$ 15,722,162

The overall decrease in capital assets of \$461,468 is due to depreciation expense of \$475,394 exceeding capital outlay of \$13,926 in the fiscal year.

See Note 8 to the basic financial statements for additional information on the District's capital assets.

Debt Administration

At June 30, 2012, the District had \$13,099,534 in general obligation bonds and \$97,035 in water line project payable. Of this total, \$431,332 is due within one year and \$12,765,237 is due within greater than one year.

The following table summarizes the bonds and water line project payable outstanding.

Outstanding Debt, at Year End

	Governmental Activities <u>2012</u>	Governmental Activities <u>2011</u>
	General obligation bonds	\$ 13,099,534
Water line project payable	97,035	108,385
Total	\$ 13,196,569	\$ 13,462,699

See Note 9 to the basic financial statements for additional information on the District's debt administration.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)
(CONTINUED)**

Current Financial Related Activities

The District is proud that it has been able to maintain the advantages which come from living in a positive and caring rural environment. Those advantages include strong educational programming, reasonable class sizes and well qualified teachers. Our programs have traditionally placed at or near the top of county rankings on the district report cards. Test scores continue to improve, and the District as a whole was recognized in 2007-2008 and 2008-2009 'an excellent district'. As a small district we are able to provide academic and extra curricular opportunities to our students on an individualized basis, and it is our absolute priority to see each child fulfill his or her potential.

The voters responded to the need for new facilities in fiscal year 2003, by approving the necessary millage to complete a new pre-kindergarten through eighth grade building to replace several school buildings that had been in use for more than eighty years. The new facility was completed entirely with local funds and opened in September 2006. Notes and bonds for the new building were issued during fiscal year 2004 and refunded in fiscal year 2008, which account for most of the outstanding debt referred to in this report. The District participates in the Ohio School Facilities Commission (OSFC) program and looks forward to the day when State matching funds will be available to add new high school facilities to the pre-kindergarten through eighth grade building.

Like most other Ohio school districts, and as mentioned on page 10 of this discussion, the District has suffered as a result of reductions in State funding. In addition, the District is heavily dependent on business and inventory taxes, a revenue stream that will be phased out with current state budget. Our Tangible Personal Property (TPP) Fixed rate payments have been extended to fiscal year 2018 with each year being reduced by \$151,216 and payment in fiscal year 2018 being \$66,561. More than ten teaching positions and three administrative positions were eliminated at the end of fiscal year 2003 and other expenses were reduced as far as possible to allow the District to operate 'in the black' for the fiscal year 2006 and 2007. In 2009, the State funding formula was modified to an Evidence-Base Model approach. Due to financial restraints, this model will not be fully funded. It will be phased-in over a period of time. School districts have been guaranteed 99% of 2009 receipts for the 2010 school year and 98% of 2009 receipts for 2011 school year. Included in those guaranteed amounts is about 7.9 percent in Federal Stimulus Funds. Those funds will terminate after fiscal year 2011. Forecasted amounts are based upon the latest information from ODE's "bridge" formula fiscal year 2012 & fiscal year 2013. The final foundation dollars are subject to many factors all of which are open to deliberations and approval of the Ohio General Assembly. Due to economic conditions within the State, the level at which the State will fund schools is uncertain. State Foundation revenues for fiscal year 2014 to 2016 are presented with no increase in revenue.

A 1.25% tax on all income passed on the February 2007 ballot to generate the needed operating funds. These funds did not begin collections until 2008 leaving the District to operate "in the red" in fiscal year 2008. Full collections were being realized in 2009 and the District was able to once again operate "in the black" for fiscal years 2009 through 2012. The Board of Education and administration are committed to continue to do everything possible to provide quality education to the children of the District while working with the community and the legislature to seek a long-term solution to the need for operating funds.

The Board of Education chose to not place the \$410,000 Emergency Levy last billed in tax year 2006, collected in tax year 2007 back on the ballot.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)
(CONTINUED)**

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and 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: Ms. Vickey Stump, Treasurer, Colonel Crawford Local School District, 2303 St. Rt. 602, P.O. Box 7, North Robinson, Ohio 44856-0007.

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**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**STATEMENT OF NET ASSETS
JUNE 30, 2012**

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents.	\$ 3,018,990
Receivables:	
Property taxes	3,206,076
Income taxes.	659,519
Accounts.	11,578
Accrued interest	322
Loans	455
Intergovernmental	70,137
Materials and supplies inventory.	17,841
Unamortized bond issuance costs	133,090
Capital assets:	
Land	195,904
Depreciable capital assets, net.	15,064,790
Capital assets, net.	15,260,694
 Total assets.	 22,378,702
 Liabilities:	
Accounts payable.	12,925
Accrued wages and benefits	1,014,392
Compensated absences payable	15,651
Pension obligation payable.	192,097
Intergovernmental payable	41,339
Unearned revenue	1,757,140
Accrued interest payable	227,254
Long-term liabilities:	
Due within one year.	461,283
Due in more than one year.	13,425,245
 Total liabilities	 17,147,326
 Net Assets:	
Invested in capital assets, net of related debt.	2,900,280
Restricted for:	
Capital projects	2,062
Debt service.	718,509
Locally funded programs	6,115
State funded programs.	7,318
Federally funded programs	24,527
Student activities	59,503
Unrestricted	1,513,062
 Total net assets	 \$ 5,231,376

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating Grants</u>	<u>Revenue and</u>
		<u>Services and Sales</u>	<u>and Contributions</u>	<u>Changes in</u>
				<u>Net Assets</u>
				<u>Governmental</u>
				<u>Activities</u>
Governmental activities:				
Instruction:				
Regular	\$ 4,343,950	\$ 930,106	\$ 9,321	\$ (3,404,523)
Special	1,235,562	230,800	514,880	(489,882)
Vocational	25,013	-	2,207	(22,806)
Other	1,175	-	-	(1,175)
Support services:				
Pupil	698,794	-	25,870	(672,924)
Instructional staff	254,627	-	8,548	(246,079)
Board of education	23,267	-	-	(23,267)
Administration	628,353	-	7,536	(620,817)
Fiscal	340,525	-	-	(340,525)
Business	2,461	-	-	(2,461)
Operations and maintenance	960,884	4,275	-	(956,609)
Pupil transportation	665,812	4,424	6,227	(655,161)
Central	53,545	-	-	(53,545)
Operation of non-instructional services:				
Other non-instructional services	50,888	31,384	-	(19,504)
Food service operations	351,737	163,221	156,580	(31,936)
Extracurricular activities	401,431	109,451	10,239	(281,741)
Interest and fiscal charges	657,921	-	-	(657,921)
Totals	\$ 10,695,945	\$ 1,473,661	\$ 741,408	(8,480,876)

General Revenues:

Property taxes levied for:	
General purposes	2,422,510
Debt service	674,119
Income taxes levied for:	
General purposes	1,594,402
Grants and entitlements not restricted	
to specific programs	3,793,457
Investment earnings	8,849
Miscellaneous	20,579
Total general revenues	8,513,916
Change in net assets	33,040
Net assets at beginning of year	5,198,336
Net assets at end of year	\$ 5,231,376

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012**

	General	Debt Service	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents.	\$ 1,637,527	\$ 631,283	\$ 647,646	\$ 102,534	\$ 3,018,990
Receivables:					
Property taxes.	2,519,272	686,804	-	-	3,206,076
Income taxes.	659,519	-	-	-	659,519
Accounts.	11,578	-	-	-	11,578
Accrued interest.	322	-	-	-	322
Interfund loans.	28,547	-	-	-	28,547
Loans.	455	-	-	-	455
Intergovernmental.	38,344	-	-	31,793	70,137
Materials and supplies inventory.	14,016	-	-	3,825	17,841
Total assets.	<u>\$ 4,909,580</u>	<u>\$ 1,318,087</u>	<u>\$ 647,646</u>	<u>\$ 138,152</u>	<u>\$ 7,013,465</u>
Liabilities:					
Accounts payable.	\$ 12,925	\$ -	\$ -	\$ -	\$ 12,925
Accrued wages and benefits.	967,635	-	-	46,757	1,014,392
Compensated absences payable.	15,651	-	-	-	15,651
Interfund loans payable.	-	-	-	28,547	28,547
Intergovernmental payable.	40,041	-	-	1,298	41,339
Pension obligation payable.	174,658	-	-	17,439	192,097
Deferred revenue.	257,792	34,544	-	-	292,336
Unearned revenue.	1,384,816	372,324	-	-	1,757,140
Total liabilities.	<u>2,853,518</u>	<u>406,868</u>	<u>-</u>	<u>94,041</u>	<u>3,354,427</u>
Fund Balances:					
Nonspendable:					
Materials and supplies inventory.	14,016	-	-	3,825	17,841
Restricted:					
Debt service.	-	911,219	-	-	911,219
Capital improvements.	-	-	-	2,062	2,062
Special education.	-	-	-	187	187
Targeted academic assistance.	-	-	-	2,787	2,787
Other purposes.	-	-	-	36,408	36,408
Extracurricular activities.	-	-	-	59,503	59,503
Committed:					
Capital improvements.	-	-	647,646	-	647,646
Termination benefits.	69,128	-	-	-	69,128
Assigned:					
Student instruction.	2,858	-	-	-	2,858
Student and staff support.	107,801	-	-	-	107,801
Extracurricular activities.	1,759	-	-	-	1,759
Subsequent year appropriations.	627,043	-	-	-	627,043
Other purposes.	1,350	-	-	-	1,350
Unassigned (deficit).	1,232,107	-	-	(60,661)	1,171,446
Total fund balances.	<u>2,056,062</u>	<u>911,219</u>	<u>647,646</u>	<u>44,111</u>	<u>3,659,038</u>
Total liabilities and fund balances.	<u>\$ 4,909,580</u>	<u>\$ 1,318,087</u>	<u>\$ 647,646</u>	<u>\$ 138,152</u>	<u>\$ 7,013,465</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2012**

Total governmental fund balances		\$ 3,659,038
<i>Amounts reported for governmental activities on the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		15,260,694
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes receivable	\$ 151,237	
Income taxes receivable	102,755	
Intergovernmental receivable	38,344	
Total	292,336	292,336
Unamortized bond issuance costs are not recognized in the funds.		133,090
Unamortized premiums on bond issuances are not recognized in the funds.		(565,459)
Unamortized deferred charges on refundings are not recognized in the funds.		331,955
On the statement of net assets, interest is accrued on outstanding bonds whereas in governmental funds, interest is reported when due.		(227,254)
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	(13,099,534)	
Loan payable	(97,035)	
Compensated absences	(456,455)	
Total	(13,653,024)	(13,653,024)
Net assets of governmental activities		\$ 5,231,376

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
From local sources:					
Property taxes	\$ 2,413,868	\$ 671,601	\$ -	\$ -	\$ 3,085,469
Income taxes	1,491,647	-	-	-	1,491,647
Tuition	1,117,737	-	-	-	1,117,737
Transportation fees	4,424	-	-	-	4,424
Earnings on investments	8,848	-	-	1	8,849
Charges for services	-	-	-	163,221	163,221
Extracurricular	24,122	-	-	88,469	112,591
Classroom materials and fees	64,306	-	1,230	-	65,536
Rental income	1,515	-	-	-	1,515
Contributions and donations	7,305	-	-	11,079	18,384
Contract services	8,637	-	-	-	8,637
Other local revenues	20,746	-	-	378	21,124
Intergovernmental - intermediate	12,340	-	-	-	12,340
Intergovernmental - state	3,651,098	278,736	-	9,880	3,939,714
Intergovernmental - federal	29,280	-	-	665,918	695,198
Total revenues	8,855,873	950,337	1,230	938,946	10,746,386
Expenditures:					
Current:					
Instruction:					
Regular	3,996,643	-	-	30,415	4,027,058
Special	941,498	-	-	329,930	1,271,428
Vocational	20,460	-	-	-	20,460
Other	1,175	-	-	-	1,175
Support services:					
Pupil	552,872	-	-	141,308	694,180
Instructional staff	214,414	-	-	28,179	242,593
Board of education	23,027	-	-	-	23,027
Administration	633,917	-	-	1,507	635,424
Fiscal	316,116	22,203	-	-	338,319
Business	2,461	-	-	-	2,461
Operations and maintenance	906,007	-	-	-	906,007
Pupil transportation	591,297	-	-	-	591,297
Central	53,545	-	-	-	53,545
Operation of non-instructional services:					
Other non-instructional services	50,888	-	-	-	50,888
Food service operations	-	-	-	318,387	318,387
Extracurricular activities	300,836	-	-	86,728	387,564
Facilities acquisition and construction	44,086	-	-	-	44,086
Debt service:					
Principal retirement	11,350	435,000	-	-	446,350
Interest and fiscal charges	5,419	490,689	-	-	496,108
Total expenditures	8,666,011	947,892	-	936,454	10,550,357
Excess of revenues over expenditures	189,862	2,445	1,230	2,492	196,029
Other financing sources:					
Sale of capital assets	4,647	-	-	50	4,697
Total other financing sources	4,647	-	-	50	4,697
Net change in fund balances	194,509	2,445	1,230	2,542	200,726
Fund balances at beginning of year	1,861,553	908,774	646,416	41,569	3,458,312
Fund balances at end of year	\$ 2,056,062	\$ 911,219	\$ 647,646	\$ 44,111	\$ 3,659,038

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Net change in fund balances - total governmental funds \$ 200,726

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 expense exceeds capital outlays in the current period.

Capital asset additions	\$ 13,926	
Current year depreciation	(475,394)	
Total		(461,468)

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

Property taxes	11,160	
Income taxes	102,755	
Intergovernmental	(131,539)	
Total		(17,624)

Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. Principal payments during the year were:

Bonds	435,000	
Loans payable	11,350	
Total		446,350

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:

Increase in accrued interest payable	(991)	
Accreted interest on capital appreciation bonds	(180,220)	
Amortization of bond issuance costs	(7,256)	
Amortization of bond premiums	44,087	
Amortization of deferred charges	(17,433)	
Total		(161,813)

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

	26,869
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Change in net assets of governmental activities **\$ 33,040**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Property taxes	\$ 2,110,817	\$ 2,327,530	\$ 2,327,530	\$ -
Income taxes	1,339,913	1,487,824	1,487,824	-
Tuition	1,022,171	1,117,737	1,117,737	-
Transportation fees	2,716	4,288	1,572	(2,716)
Earnings on investments	13,989	9,497	8,881	(616)
Extracurricular	-	704	704	-
Classroom materials and fees	30,922	34,259	34,532	273
Rental income	972	1,515	1,515	-
Contributions and donations	500	4,776	4,776	-
Contract services	7,286	7,283	-	(7,283)
Other local revenues	10,419	15,714	15,714	-
Intergovernmental - intermediate	12,302	12,340	12,340	-
Intergovernmental - state	3,557,287	3,651,098	3,651,098	-
Intergovernmental - federal	26,777	29,280	29,280	-
Total revenues	8,136,071	8,703,845	8,693,503	(10,342)
Expenditures:				
Current:				
Instruction:				
Regular	3,935,014	3,900,762	3,898,932	1,830
Special	890,385	875,754	876,376	(622)
Vocational	19,611	20,453	20,453	-
Other	545	1,175	1,175	-
Support services:				
Pupil	556,642	553,344	552,586	758
Instructional staff	234,307	231,500	224,975	6,525
Board of education	25,495	25,750	24,549	1,201
Administration	636,039	655,879	655,553	326
Fiscal	310,076	314,182	314,113	69
Business	2,513	2,461	2,461	-
Operations and maintenance	985,917	955,438	946,552	8,886
Pupil transportation	582,398	607,935	607,723	212
Central	84,324	79,446	53,561	25,885
Operation of non-instructional services	200	1,395	1,395	-
Extracurricular activities	289,866	286,260	286,260	-
Facilities acquisition and construction	62,435	60,855	60,855	-
Total expenditures	8,615,767	8,572,589	8,527,519	45,070
Excess (deficiency) of revenues over (under) expenditures	(479,696)	131,256	165,984	34,728
Other financing sources (uses):				
Refund of prior year's expenditures	3,463	6,328	6,328	-
Transfers (out)	(20,059)	(15,581)	(15,581)	-
Advances in	56,119	56,119	56,119	-
Advances (out)	(20,845)	(29,002)	(29,002)	-
Sale of capital assets	750	4,647	4,647	-
Total other financing sources (uses)	19,428	22,511	22,511	-
Net change in fund balance	(460,268)	153,767	188,495	34,728
Fund balance at beginning of year	1,203,726	1,203,726	1,203,726	-
Prior year encumbrances appropriated	28,231	28,231	28,231	-
Fund balance at end of year	\$ 771,689	\$ 1,385,724	\$ 1,420,452	\$ 34,728

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012**

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and cash equivalents	\$ 4,991	\$ 86,265
Total assets.	4,991	\$ 86,265
Liabilities:		
Accounts payable.	-	\$ 828
Retainage payable	-	49,870
Due to students.	-	35,112
Loans payable	-	455
Total liabilities	-	\$ 86,265
Net assets:		
Held in trust for scholarships	4,991	
Total net assets	\$ 4,991	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Private-Purpose Trust
	Scholarship
Additions:	
Gifts and contributions.	\$ 8,479
Total additions.	8,479
Deductions:	
Scholarships awarded	9,706
Change in net assets.	(1,227)
Net assets at beginning of year	6,218
Net assets at end of year.	\$ 4,991

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Colonel Crawford Local School District (the "District") is located in Crawford County and encompasses all or parts of five towns and villages. The District serves an area of approximately 120 square miles.

The District was established in 1961 through the consolidation of existing land areas and school districts and is organized under Section 2 and 3, Articles VI of the Constitution of the State of Ohio. Under such laws there is no authority for a school district to have a charter or adopt local laws. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four year terms.

The District ranks as the 498th largest by enrollment among the 918 public and community school districts in the State, and the 4th largest in Crawford County. It currently operates 1 elementary school, 1 middle school, and 1 comprehensive high school. The District employs 54 non-certified and 112 certified employees to provide services to 974 students in grades K through 12 and various community groups.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) guidance issued on or before November 30, 1989, to its governmental activities provided it does not conflict with or contradict GASB pronouncements. The District's significant accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary governments financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

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

A. Reporting Entity - (Continued)

The following organizations are described due to their relationship with the District:

JOINT VENTURE WITHOUT EQUITY INTEREST

Heartland Council of Governments/North Central Ohio Computer Cooperative (the "COG")

The COG is a jointly governed organization among 16 school districts, 1 educational service center and a career center. The COG is an association of public school districts within the boundaries of Ashland, Crawford, Huron, Marion, Morrow, Richland, Seneca, and Wyandot counties. The COG 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. Each member school district supports the COG based on a per pupil charge dependent upon the software package utilized. The COG is governed by a Cooperative Assembly consisting of superintendents of the member school districts. The degree of control exercised by any school district is limited to its representation on the Cooperative Assembly. During fiscal year 2012, the District paid \$83,431 to the COG for various services. Financial information can be obtained from the treasurer for the Pioneer Career and Technology Center, who serves as fiscal agent, at 27 Ryan Road, Shelby, Ohio 44875-0309.

JOINTLY GOVERNED ORGANIZATION

Metropolitan Educational Council

The Metropolitan Educational Council (MEC) is a purchasing cooperative made up of 124 districts in 22 counties. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the MEC. The Governing Board of MEC consists of one voting representative from each member district. The District purchases natural gas and electric through the MEC program. To obtain financial information, write to Metropolitan Educational Council, Elmo Kallner, who serves as Director, 6100 Channingway Boulevard, Suite 604, Columbus, Ohio 43232.

The District also participates in an insurance group purchasing pool, described in Note 10.

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The District does not have any proprietary funds.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

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

B. Fund Accounting - (Continued)

The following are the District's major governmental funds:

General fund -The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Debt service fund - The debt service fund is used to account for and report the accumulation of resources that are restricted for the and payment of general obligation bond and notes payable.

Permanent improvement fund - The permanent improvement fund is used to account for resources that are restricted or committed for replacement and updating of capital assets and facilities essential for the instruction of students.

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets and (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund 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 are therefore not available to support the District's own programs. The District's only trust fund is a private purpose trust which accounts for scholarship programs for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund accounts for student activities and a retainage account.

C. Basis of Presentation and Measurement Focus

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.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. 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 amounts paid by the recipient of 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 not classified as program revenues are presented as general revenues of the District.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

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

C. Basis of Presentation and Measurement Focus - (Continued)

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net assets.

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, and all nonmajor funds are aggregated into one column. Fiduciary funds are reported by fund type.

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide 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 private-purpose trust fund is reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting.

Revenues - Exchange and Nonexchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income 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 (See Note 6).

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

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

D. Basis of Accounting – (Continued)

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. 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.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, income taxes, interest, tuition, grants, student fees and rentals.

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2012, but which were levied to finance fiscal year 2013 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2012 are recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have been reported as deferred revenue in the governmental funds.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgets

The District is required by State statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2012 is as follows:

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The District was granted a waiver by the County budget commission in 2002 which waived the requirement to public hearings. Instead, the District completes an alternative tax budget in August or September. The purpose of this budget document is to reflect the need for existing (or increased) tax rates.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

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

E. Budgets – (Continued)

2. By no later than January 20, the Board-adopted budget is filed with the Crawford County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to July 1, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The certificate of estimated resources may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The budget figures, as shown in the accompanying budgetary statement, reflect the amounts set forth in the original and final amended certificate of estimated resources issued for fiscal year 2012.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
5. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.
7. Appropriations amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board prior to June 30, 2012; however, none of these amendments were significant. The budget figures, as shown in the accompanying budgetary statement, reflect the original and final appropriation amounts including all amendments and modifications.
8. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund level.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

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

F. Cash and Investments

To improve cash management, cash received by the District is pooled in a central bank account. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the basic financial statements.

The District has invested funds in the State Treasury Asset Reserve of Ohio ("STAR Ohio") during fiscal year 2012. 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 shares price which is the price the investment could be sold for on June 30, 2012.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during fiscal year 2012 amounted to \$8,848, which includes \$4,605 assigned from other funds.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

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

G. Inventory

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method. On the fund financial statements, materials and supplies is equally offset by a nonspendable fund balance in governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

H. Capital Assets

All of the District's capital assets are general capital assets resulting from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets, but are not reported in the fund financial statements.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

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

H. Capital Assets – (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. The District does not possess infrastructure.

All reported capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives
Land improvements	5 - 20 years
Buildings and improvements	20 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	6 - 15 years

I. Interfund Balances

On fund financial statements, receivables and payables resulting from loans between governmental funds and agency funds are classified as "loans receivable/payable". On the fund financial statements, short-term receivables and payables resulting from interfund loans are classified as "interfund loans receivable/payable". These amounts are eliminated in the governmental activities column on the statement of net assets.

J. Compensated Absences

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

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2012, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees age fifty or greater with at least ten years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

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

J. Compensated Absences – (Continued)

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2012, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and loans are recognized as a liability on the fund financial statements when due.

L. 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 classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

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

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 (the highest level of decision making authority). 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.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

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

L. 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 nor 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 policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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 only used to report a deficit fund 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 restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist 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 or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

N. Unamortized Bond Issuance Costs/Bond Premium and Discount/Accounting Gain or Loss

On government-wide financial statements, bond issuance costs are deferred and amortized over the term of the bonds using the straight line method. Unamortized bond issuance costs are recorded as a separate line item on the statement of net assets.

Bond premiums are deferred and amortized over the term of the bonds using the straight line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

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

N. Unamortized Bond Issuance Costs/Bond Premium and Discount/Accounting Gain or Loss – (Continued)

For bond refundings resulting in the defeasance of debt reported in the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as an addition to or reduction of the face amount of the new debt.

On the governmental fund financial statements, bond issuance costs and bond premiums are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the statement of net assets is presented in Note 9.A.

O. Estimates

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

P. Interfund Activity

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the basic financial statements.

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2012.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2012, the District has implemented GASB Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans", and GASB Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions - an Amendment of GASB Statement No. 53".

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans. The implementation of GASB Statement No. 57 did not have an effect on the financial statements of the District.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE – (Continued)

A. Change in Accounting Principles – (Continued)

GASB Statement No. 64 clarifies the circumstances in which a hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced. The implementation of GASB Statement No. 64 did not have an effect on the financial statements of the District.

B. Deficit Fund Balances

Fund balances at June 30, 2012 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Food service	\$ 55,546
Ed jobs	1,290

The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

NOTE 4 - DEPOSITS AND INVESTMENTS – (Continued)

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

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

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

A. Deposits with Financial Institutions

At June 30, 2012, the carrying amount of all District deposits was \$948,964. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2012, \$774,293 of the District's bank balance of \$1,026,493 was exposed to custodial risk as discussed below, while \$252,200 was covered by the FDIC.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

NOTE 4 - DEPOSITS AND INVESTMENTS – (Continued)

A. Deposits with Financial Institutions – (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

B. Investments

As of June 30, 2012, the District had the following investment and maturity:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturity 6 months or less</u>
STAR Ohio	\$ 2,161,282	\$ 2,161,282

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2012:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
STAR Ohio	\$ 2,161,282	100.00

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

NOTE 4 - DEPOSITS AND INVESTMENTS – (Continued)

C. Reconciliation of Cash and Investments to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of June 30, 2012:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 948,964
Investments	<u>2,161,282</u>
Total	<u>\$ 3,110,246</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 3,018,990
Private-purpose trust funds	4,991
Agency funds	<u>86,265</u>
Total	<u>\$ 3,110,246</u>

NOTE 5 - INTERFUND TRANSACTIONS

Interfund loans receivable/payable consisted of the following at June 30, 2012, as reported on the fund statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 28,547
General fund	Agency fund	<u>455</u>
Total		<u>\$ 29,002</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received.

Interfund loans between governmental funds are eliminated for reporting in the statement of net assets. Interfund loans between governmental funds and agency funds appear as “loans receivable/payable” on the statement of net assets, the balance sheet and the statement of fiduciary net assets.

NOTE 6 - TAXES

A. Property Taxes

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

NOTE 6 – TAXES – (Continued)

A. Property Taxes – (Continued)

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2012 represent the collection of calendar year 2011 taxes. Real property taxes received in calendar year 2012 were levied after April 1, 2011, on the assessed values as of January 1, 2011, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2012 represent the collection of calendar year 2011 taxes. Public utility real and personal property taxes received in calendar year 2012 became a lien on December 31, 2010, were levied after April 1, 2011, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Crawford County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2012, are available to finance fiscal year 2012 operations. The amount available as an advance at June 30, 2012 was \$1,018,048 in the general fund and \$279,936 in the bond retirement fund. This amount is recorded as revenue. The amount available for advance at June 30, 2011 was \$931,710 in the general fund and \$255,492 in the debt service fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2012 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to unearned revenue.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been deferred.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

NOTE 6 – TAXES – (Continued)

A. Property Taxes – (Continued)

The assessed values upon which the fiscal year 2012 taxes were collected are:

	2011 Second Half Collections		2012 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 110,679,910	96.53	\$ 113,025,430	96.32
Public utility personal	3,871,020	3.38	4,319,850	3.68
Tangible personal property	<u>103,800</u>	<u>0.09</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 114,654,730</u>	<u>100.00</u>	<u>\$ 117,345,280</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation for:				
General	\$46.00		\$46.00	
Debt service	6.50		6.50	

B. School District Income Taxes

In February 2007, the District passed a 1.25% continuing earned income only tax for general operations of the District. Employers and residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax collection began in January 2008. Income tax is credited to the general fund. During fiscal year 2012, the District received \$1,491,647 in income tax revenue.

NOTE 7 - RECEIVABLES

Receivables at June 30, 2012 consisted of property taxes, income taxes, accounts (billings for user charged services and student fees), intergovernmental grants and entitlements, and accrued interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net assets follows:

Governmental activities:

Property taxes	\$ 3,206,076
Income taxes	659,519
Accounts	11,578
Intergovernmental	70,137
Accrued interest	<u>322</u>
Total	<u>\$ 3,947,632</u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within subsequent years.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	Balance			Balance
	<u>06/30/11</u>	<u>Additions</u>	<u>Deductions</u>	<u>06/30/12</u>
<i>Governmental activities:</i>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 195,904	\$ -	\$ -	\$ 195,904
Total capital assets, not being depreciated	<u>195,904</u>	<u>-</u>	<u>-</u>	<u>195,904</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	651,541	-	-	651,541
Buildings and improvements	17,828,946	-	-	17,828,946
Furniture and equipment	780,595	13,926	-	794,521
Vehicles	1,080,689	-	(93,300)	987,389
Total capital assets, being depreciated	<u>20,341,771</u>	<u>13,926</u>	<u>(93,300)</u>	<u>20,262,397</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(501,921)	(14,196)	-	(516,117)
Buildings and improvements	(3,303,428)	(328,674)	-	(3,632,102)
Furniture and equipment	(364,132)	(61,790)	-	(425,922)
Vehicles	(646,032)	(70,734)	93,300	(623,466)
Total accumulated depreciation	<u>(4,815,513)</u>	<u>(475,394)</u>	<u>93,300</u>	<u>(5,197,607)</u>
Governmental activities capital assets, net	<u>\$ 15,722,162</u>	<u>\$ (461,468)</u>	<u>\$ -</u>	<u>\$ 15,260,694</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:

Regular	\$ 289,058
Special	18,271
Vocational	4,553

Support services:

Pupil	4,195
Instructional staff	11,697
Board of education	240
Administration	8,194
Fiscal	240
Operations and maintenance	16,421
Pupil transportation	75,601
Extracurricular activities	13,827
Food service operations	<u>33,097</u>
Total depreciation expense	<u>\$ 475,394</u>

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

NOTE 9 - LONG-TERM OBLIGATIONS

- A. During fiscal year 2012, the following changes occurred in governmental activities long-term obligations:

	Interest Rate	Balance Outstanding 06/30/11	Additions	Reductions	Balance Outstanding 06/30/12	Amounts Due in One Year
Governmental activities:						
<u>General obligation bonds:</u>						
Series 2004 Issue:						
Current interest bonds	2%-5%	\$ 2,540,000	\$ -	\$ -	\$ 2,540,000	\$ -
Capital appreciation bonds	12.18%	560,000	-	(155,000)	405,000	140,000
Accreted interest		815,954	148,888	(260,000)	704,842	244,415
Series 2007 Issue:						
School improvements bonds	4%-5%	9,125,000	-	(20,000)	9,105,000	35,000
Capital appreciation bonds	9.742%	210,000	-	-	210,000	-
Accreted interest		103,360	31,332	-	134,692	-
Total general obligation bonds payable		<u>\$ 13,354,314</u>	<u>\$ 180,220</u>	<u>\$ (435,000)</u>	<u>\$ 13,099,534</u>	<u>\$ 419,415</u>
<u>Other long-term obligations:</u>						
Water line project payable		\$ 108,385	\$ -	\$ (11,350)	\$ 97,035	\$ 11,917
Compensated absences		483,324	29,951	(56,820)	456,455	29,951
Total other long-term obligations		<u>\$ 591,709</u>	<u>\$ 29,951</u>	<u>\$ (68,170)</u>	<u>\$ 553,490</u>	<u>\$ 41,868</u>
Total governmental activities		<u>13,946,023</u>	<u>\$ 210,171</u>	<u>\$ (503,170)</u>	<u>13,653,024</u>	<u>\$ 461,283</u>
Add: Unamortized premium on bond issue		609,546			565,459	
Less: Unamortized deferred charges on bond issue		(349,388)			(331,955)	
Total on statement of net assets		<u>\$ 14,206,181</u>			<u>\$ 13,886,528</u>	

- B. Compensated Absences - Compensated absences will be paid from the fund from which the employee is paid which is primarily the general fund.
- C. Waterline Project - The District entered into an agreement with the Crawford County Commissioners on November 19, 1996 regarding costs for a water system improvement project in Sewer District No. 2. Under this agreement, the District will pay \$159,584 over a period of fifteen years in return for exemption from tap-in charges. Interest on this obligation will be calculated at a rate indexed to the rate of interest paid by the Crawford County Commissioners on its debt arising from this project. During fiscal year 2009, the District agreed to pay an additional \$100,327 until fiscal year 2019. During fiscal year 2012, the District made \$11,350 in principal payments and \$5,419 in interest payments on this obligation. Principal and interest payments are reported in the District's general fund. The remaining principal obligation at June 30, 2012 reported on the statement of net assets is \$97,035. This amount is not included in the calculation for "invested in capital assets, net of related debt" because the capital assets associated with this project belong to the County are not included in the District's capital assets.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

- D. During fiscal year 2004, the District issued \$14,500,000 in general obligation bonds to provide funds for various District building projects. These bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Payments of principal and interest relating to this bond are recorded as expenditures in the debt service fund.

The original issue was comprised of both current interest bonds, par value \$13,940,000, and capital appreciation bonds, par value \$560,000. On November 1, 2007, the District refunded \$9,080,000 of the current interest bonds (See Note 9.E for detail). The interest rates on the remaining current interest bonds range from 2.00% to 5.00%. The capital appreciation bonds mature on January 15, 2013 (actual interest rate 12.42%), January 15, 2014 (actual interest rate 12.40%) and January 15, 2015 (actual interest rate 12.36%), at redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the remaining capital appreciation bonds is \$1,330,000. A total of \$704,842 in accreted interest on the capital appreciation bonds has been included in the statement of net assets at June 30, 2012.

Interest payments on the current interest bonds are due on January 15 and July 15 of each year. The final maturity stated in the issue is July 15, 2020.

The following is a summary of the future debt requirements to maturity for the Series 2004 general obligation bonds:

Fiscal Year Ending June 30,	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ -	\$ 107,261	\$ 107,261	\$ 140,000	\$ 270,000	\$ 410,000
2014	-	107,261	107,261	140,000	320,000	460,000
2015	-	107,261	107,261	125,000	335,000	460,000
2016	465,000	107,261	572,261	-	-	-
2017	485,000	88,662	573,662	-	-	-
2018 - 2020	1,590,000	139,888	1,729,888	-	-	-
Total	<u>\$ 2,540,000</u>	<u>\$ 657,594</u>	<u>\$ 3,197,594</u>	<u>\$ 405,000</u>	<u>\$ 925,000</u>	<u>\$ 1,330,000</u>

- E. On November 1, 2007, the District issued general obligation bonds (Series 2007 General Obligation School Improvement and Refunding Bonds) to advance refund \$9,080,000 of the Series 2004 current interest general obligation bonds (See Note 9.D. for detail) and to current refund \$480,000 bond anticipation notes that matured on January 15, 2008. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The bond issue is comprised of both current interest bonds, par value \$9,305,000, and capital appreciation bonds, par value \$210,000. The interest rates on the current interest bonds range from 4.0% to 5.00%. The capital appreciation bonds mature on January 15, 2031 and January 15, 2032, (actual interest rate 9.742%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$2,000,000. Total accreted interest of \$134,692 has been included in the statement of net assets.

Interest payments of the current interest bonds are due on January 15 and July 15 of each year. The final maturity date stated on the issue is December 1, 2032.

The reacquisition price exceeded the net carrying amount of the old debt by \$413,309. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

The following is a summary of the future debt requirements to maturity for the Series 2007 general obligation bonds:

Fiscal Year Ending June 30,	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 35,000	\$ 382,627	\$ 417,627	\$ -	\$ -	\$ -
2014	35,000	381,227	416,227	-	-	-
2015	45,000	379,827	424,827	-	-	-
2016	50,000	378,028	428,028	-	-	-
2017	110,000	376,028	486,028	-	-	-
2018 - 2022	1,870,000	1,772,839	3,642,839	-	-	-
2023 - 2027	4,075,000	1,152,382	5,227,382	-	-	-
2028 - 2032	2,885,000	251,552	3,136,552	210,000	1,790,000	2,000,000
Total	<u>\$ 9,105,000</u>	<u>\$ 5,074,510</u>	<u>\$ 14,179,510</u>	<u>\$ 210,000</u>	<u>\$ 1,790,000</u>	<u>\$ 2,000,000</u>

F. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2012, are a voted debt margin of \$11,472,294 (including available funds of \$911,219) and an unvoted debt margin of \$117,345.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

F. Legal Debt Margin – (Continued)

The District has been assigned as an “approved special needs school district” by the Ohio Superintendent of Public Instruction. As a result, the portion of the general obligation bonds issued in fiscal year 2004 in excess of the debt limitation is exempted from that limitation pursuant to Revised Code Section 133.06(D)(2).

NOTE 10 - RISK MANAGEMENT

A. Comprehensive

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District contracts with Trident Insurance Company for general liability insurance with a \$1,000,000 single occurrence limit and a \$3,000,000 aggregate, along with a \$1,000,000 umbrella for uninsured underinsured motorists. The Board’s legal liability holds a deductible of \$2,500. Buildings/content and boiler and machinery has a limit of \$30,127,500 with a deductible of \$1,000. Real property and contents are 100% coinsured.

The bus fleet and maintenance vehicles are also insured through Trident Insurance Company and hold a \$500 collision deductible and a \$250 comprehensive deductible and a \$3,000,000 limit on liability coverage and a \$1,000,000 limit on uninsured motorist coverage.

Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years. There has been no significant reduction in amounts of insurance coverage from fiscal year 2011.

B. Employee Health Insurance

In January 1995, the District joined together with two other school districts in the state to form the Wyandot Crawford Health Benefit Plan (WCHBP), a public entity risk pool currently operating as a common risk management and insurance program. The WCHBP now includes seven school districts. The District pays an annual premium to the pool for its general insurance coverage. The risk of loss transfers entirely from the District to WCHBP. The Agreement for formation of the WCHBP provides that the WCHBP will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$75,000 for each insured event.

Post employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 12. As such, no funding provisions are required by the District.

C. Workers’ Compensation

The District pays the State Worker’s Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is calculated by the State.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

NOTE 11 - PENSION PLANS

A. School Employees Retirement System

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement, disability, survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under "Employers/Audit Resources".

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 2012, 12.65 percent and 0.05 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. 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 required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2012, 2011 and 2010 were \$151,558, \$137,361 and \$143,454, respectively; 63.52 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

B. State Teachers Retirement System of Ohio

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 website at www.strsoh.org, under "Publications".

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.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

NOTE 11 - PENSION PLANS – (Continued)

B. State Teachers Retirement System of Ohio – (Continued)

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 fiscal year 2012, 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. 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.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2012, 2011 and 2010 were \$501,072, \$498,467 and \$479,480, respectively; 82.51 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010. Contributions to the DC and Combined Plans for fiscal year 2012 were \$31,353 made by the District and \$22,395 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2012, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

NOTE 12 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - The District participates in two cost-sharing, multiple employer postemployment benefit 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, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2011 (latest information available) was \$96.40 for most participants, but could be as high as \$369.10 per month depending on their income and the SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

NOTE 12 - POSTEMPLOYMENT BENEFITS – (Continued)

A. School Employees Retirement System – (Continued)

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. It is also posted on the SERS' Ohio website, www.ohsers.org, under "Employers/Audit Resources".

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 2012, 0.55 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2012, the actuarially determined amount was \$35,800.

Active members do not contribute to the postemployment benefit plans. The Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2012, 2011 and 2010 were \$23,768, \$33,500 and \$21,764, respectively; 63.52 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2012, this actuarially required allocation was 0.75 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2012, 2011, and 2010 were \$8,950, \$8,839 and \$8,531, respectively; 63.52 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

B. State Teachers Retirement System of Ohio

Plan Description - The District contributes to the cost sharing, multiple employer defined benefit Health Plan (the "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, under "Publications" or by calling (888) 227-7877.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

NOTE 12 - POSTEMPLOYMENT BENEFITS – (Continued)

B. State Teachers Retirement System of Ohio (Continued)

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 2012, 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, 2012, 2011 and 2010 were \$38,544, \$38,344 and \$36,833, respectively; 82.51 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

NOTE 13 - BUDGETARY BASIS OF ACCOUNTING

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

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

NOTE 13 - BUDGETARY BASIS OF ACCOUNTING – (Continued)

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

	<u>General fund</u>
Budget basis	\$ 188,495
Net adjustment for revenue accruals	101,706
Net adjustment for expenditure accruals	(94,506)
Net adjustment for other sources/uses	(33,445)
Funds budgeted elsewhere	(80,298)
Adjustment for encumbrances	112,557
GAAP basis	\$ 194,509

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the public school support fund, other grants fund and the termination benefits fund.

NOTE 14 - CONTINGENCIES

A. Grants and ADM

The Auditor of State is currently performing a statewide review of supporting documentation for student attendance data reported to the Ohio Department of Education. The results of this review are still pending and will be reported separately to the Ohio Department of Education at a later date.

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. This also encompasses the Auditor of State's ongoing review of student attendance data; however, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2012, if applicable, cannot be determined at this time.

B. Litigation

The District is a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and spending projects. The District management is of the opinion that disposition of the claim and legal proceedings will not have a material effect, if any, on the financial condition of the District.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

NOTE 15 - SET-ASIDES

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

The following cash-basis information describes the change in the fiscal year-end set-aside amount for capital improvements. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>
Set-aside balance June 30, 2011	\$ -
Current year set-aside requirement	157,892
Contributions in excess of the current fiscal year set-aside requirement	-
Current year qualifying expenditures	-
Excess qualified expenditures from prior years	-
Current year offsets	-
Waiver granted by ODE	-
Prior year offset from bond proceeds	<u>(157,892)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2013	<u>\$ -</u>
Set-aside balance June 30, 2012	<u>\$ -</u>

The District has \$13,672,079 in debt proceeds that will be available in future fiscal years as a capital improvement offset.

NOTE 16 - OTHER COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District's commitments for encumbrances in the governmental funds were as follows:

	Year-End
<u>Fund</u>	<u>Encumbrances</u>
General fund	\$ 100,725
Permanent improvement	7,857
Other governmental	<u>11,189</u>
Total	\$ 119,771

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2012**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Receipts	Disbursements
U.S. DEPARTMENT OF AGRICULTURE <i>Passed Through Ohio Department of Education</i>			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555	\$ 16,704	\$ 16,704
Cash Assistance:			
School Breakfast Program	10.553	16,192	16,192
National School Lunch Program	10.555	140,329	140,329
Total Child Nutrition Cluster		<u>173,225</u>	<u>173,225</u>
Total U.S. Department of Agriculture		<u>173,225</u>	<u>173,225</u>
U.S. DEPARTMENT OF EDUCATION <i>Passed Through Ohio Department of Education</i>			
Special Education Cluster:			
Special Education - Grants to States	84.027	229,573	227,666
ARRA - Special Education Grants to States, Recovery Act	84.391	12,371	12,041
Total Special Education Cluster		<u>241,944</u>	<u>239,707</u>
Title I Grants to Local Educational Agencies	84.010	113,255	109,896
Improving Teacher Quality State Grants	84.367	26,573	25,868
Education Technology State Grants	84.318	206	825
Education Jobs Fund	84.410	129,136	129,135
Total U.S. Department of Education		<u>511,114</u>	<u>505,431</u>
TOTAL FEDERAL AWARDS RECEIPTS AND EXPENDITURES		<u>\$ 684,339</u>	<u>\$ 678,656</u>

The accompanying notes are an integral part of this schedule.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2012**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) reports Colonel Crawford Local School District's (the District's) federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

NOTE C – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the fair value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.



Dave Yost • Auditor of State

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

Colonel Crawford Local School District
Crawford County
2303 State Route 602
North Robinson, Ohio 44856

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 Colonel Crawford Local School District, Crawford County, Ohio, (the District) as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 12, 2013. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control 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 audit 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.

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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note a certain matter not requiring inclusion in this report that we reported to the District's management in a separate letter dated February 12, 2013.

We intend this report solely for the information and use of management, the finance committee, the Board of Education, federal awarding agencies, 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 "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

February 12, 2013



Dave Yost • Auditor of State

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

Colonel Crawford Local School District
Crawford County
2303 State Route 602
North Robinson, Ohio 44856

To the Board of Education:

Compliance

We have audited the compliance of Colonel Crawford Local School District, Crawford County, Ohio, (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of Colonel Crawford Local School District's major federal programs for the year ended June 30, 2012. The *summary of auditor's results* section of the accompanying schedule of findings 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*. Those 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, Colonel Crawford Local School District, Crawford County, Ohio, 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, 2012.

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's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining 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 opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

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www.auditor.state.oh.us

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 would not necessarily 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.

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

February 12, 2013

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2012**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA #84.410 – Education Jobs Fund <u>Special Education Cluster</u> CFDA #84.027 – Special Education Grants to States CFDA #84.391 – ARRA – Special Education Grants to States, Recovery Act
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-001	Questioned Costs/Significant Deficiency – Allowable Costs/Cost Principles – Time and Effort	Yes	
2011-002	Questioned Costs/Significant Deficiency – Allowable Costs/Cost Principles – Title VI-B Grant	Yes	



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COLONEL CRAWFORD LOCAL SCHOOL DISTRICT

CRAWFORD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 12, 2013**