



**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2000**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Logan Elm Local School District  
Pickaway County  
9579 Tarlton Road  
Circleville, Ohio 43113

To the Board of Education

We have audited the accompanying general-purpose financial statements of the Logan Elm Local School District, Pickaway County, Ohio, (the District) as of and for the year ended June 30, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2001 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

**JIM PETRO**  
Auditor of State

January 17, 2001

**Logan Elm Local School District  
Combined Balance Sheet  
All Fund Types and Account Groups  
Year Ended June 30, 2000**

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
<b>Assets and Other Debits:</b>			
Equity in Pooled Cash and Investments	\$ 4,359,672	475,631	33,509
Restricted Assets	168,513	0	0
Cash with Fiscal Agent	0	0	0
Taxes Receivable	7,263,043	0	224,976
Interfund Receivable	186,094	0	0
Due from Other Funds	0	0	0
Intergovernmental Receivable	600	2,500	0
Other Receivable	5,700	2,059	0
Supplies Inventory	0	0	0
Inventory for Resale	0	0	0
Due from Other Governments	0	0	0
Property, Plant & Equipment (Net of Depreciation, where applicable)	0	0	0
Amount to be Provided for Retirement of General Long Term Debt	0	0	0
<b>Total Assets and Other Debits</b>	<b><u>\$ 11,983,622</u></b>	<b><u>480,190</u></b>	<b><u>258,485</u></b>
<b>Liabilities:</b>			
Interfund Payable	\$ 0	9,720	176,374
Due to Other Funds	203,258	317	0
Intergovernmental Payable	7,975	389	0
Accounts Payables	149,408	15,923	88,487
Accrued Salaries & Benefits	1,165,490	62,884	0
Deferred Revenue	6,458,098	0	200,042
Claims Payable	0	0	0
Due to Others	0	0	0
Capital Leases Payable	0	0	0
Compensated Absences Payable	13,623	0	0
<b>Total Liabilities</b>	<b><u>7,997,852</u></b>	<b><u>89,233</u></b>	<b><u>464,903</u></b>
<b>Fund Equity and Other Credits:</b>			
Investment in General Fixed Assets	0	0	0
Retained Earnings	0	0	0
<b>Fund Balances:</b>			
Reserved for Encumbrances	39,566	61,198	92,670
Reserved for Trust	0	0	0
Reserved for Budget Stabilization	168,513	0	0
Reserved for Future Appropriation	804,945	0	24,934
Unreserved Fund Balance	2,972,746	329,759	(324,022)
<b>Total Fund Equity</b>	<b><u>3,985,770</u></b>	<b><u>390,957</u></b>	<b><u>(206,418)</u></b>
<b>Total Fund Balances/Retained Earnings and Other Credits</b>	<b><u>3,985,770</u></b>	<b><u>390,957</u></b>	<b><u>(206,418)</u></b>
<b>Total Liabilities, Fund Equity, and Other Credits</b>	<b><u>\$ 11,983,622</u></b>	<b><u>480,190</u></b>	<b><u>258,485</u></b>

See Accompanying Notes to the General Purpose Financial Statements

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals 2000 (Memorandum) (Only)
Enterprise	Internal Service	Trust and Agency	General Fixed	General Long Term	
175,427	406,400	312,902	0	0	\$ 5,763,541
0	0	0	0	0	168,513
0	8,281	0	0	0	8,281
0	0	0	0	0	7,488,019
0	0	0	0	0	186,094
0	0	235,646	0	0	235,646
0	0	0	0	0	3,100
90	0	429	0	0	8,278
2,838	0	0	0	0	2,838
15,753	0	0	0	0	15,753
0	83,199	0	0	0	83,199
161,409	0	0	9,958,015	0	10,119,424
0	0	0	0	1,025,361	1,025,361
<u>355,517</u>	<u>497,880</u>	<u>548,977</u>	<u>9,958,015</u>	<u>1,025,361</u>	<u>25,108,047</u>
0	0	0	0	0	\$ 186,094
32,071	0	0	0	0	235,646
104	0	235,646	0	105,644	349,758
1,271	251	2,333	0	0	257,673
42,002	0	0	0	0	1,270,376
22,035	0	0	0	0	6,680,175
0	210,612	0	0	0	210,612
0	0	183,114	0	0	183,114
0	0	0	0	4,078	4,078
43,250	0	0	0	915,639	972,512
<u>140,733</u>	<u>210,863</u>	<u>421,093</u>	<u>0</u>	<u>1,025,361</u>	<u>10,350,038</u>
0	0	0	9,958,015	0	9,958,015
214,784	287,017	0	0	0	501,801
0	0	1,739	0	0	195,173
0	0	104,300	0	0	104,300
0	0	0	0	0	168,513
0	0	0	0	0	829,879
0	0	21,845	0	0	3,000,328
<u>0</u>	<u>0</u>	<u>127,884</u>	<u>0</u>	<u>0</u>	<u>4,298,193</u>
<u>214,784</u>	<u>287,017</u>	<u>127,884</u>	<u>9,958,015</u>	<u>0</u>	<u>14,758,009</u>
<u>355,517</u>	<u>497,880</u>	<u>548,977</u>	<u>9,958,015</u>	<u>1,025,361</u>	<u>\$ 25,108,047</u>



**Logan Elm Local School District**  
**Combined Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**All Governmental Fund Types and Similar Fiduciary Fund Types**  
**Year Ended June 30, 2000**

	Governmental Fund Types			Fiduciary	Totals
	General	Special Revenue	Capital Projects	Fund Types Expendable Trust	(Memorandum) (Only)
<b>REVENUES:</b>					
Revenue from Local Sources					
Taxes	\$ 7,281,567	0	225,618	0	\$ 7,507,185
Tuition	82,612	0	0	0	82,612
Transportation Fees	24,748	0	0	0	24,748
Earnings on Investment	355,210	0	0	6,210	361,420
Extracurricular Activities	0	244,413	0	0	244,413
Classroom Materials & Fees	61,633	0	0	0	61,633
Miscellaneous	109,677	5,610	0	983	116,270
Revenue from Intermediate Sources					
Restricted Grants in Aid	0	3,689	0	0	3,689
Revenue in Lieu of Taxes	38,591	0	0	0	38,591
Revenue from State Sources					
Unrestricted Grants in Aid	5,424,496	25,000	15,266	0	5,464,762
Restricted Grants in Aid	95,279	264,322	0	0	359,601
Revenue for/on Behalf of District	1,270	0	0	0	1,270
Revenue from Federal Sources					
Restricted Grants in Aid	0	746,761	0	0	746,761
<b>Total Revenue</b>	<b>13,475,083</b>	<b>1,289,795</b>	<b>240,884</b>	<b>7,193</b>	<b>15,012,955</b>
<b>EXPENDITURES:</b>					
Instruction					
Regular Instruction	5,960,244	214,085	3,198	0	6,177,527
Special Instruction	1,439,431	412,169	0	0	1,851,600
Vocational Instruction	10,725	0	0	0	10,725
Supporting Services					
Supporting Services-Pupils	413,668	122,685	0	0	536,353
Supporting Services-Instructional Staff	328,165	198,562	0	5,107	531,834
Supporting Services-Board of Education	79,614	581	0	750	80,945
Supporting Services-Administration	1,349,532	80,062	5,027	0	1,434,621
Fiscal Services	357,947	0	0	0	357,947
Support Services-Business	2,997	0	0	0	2,997
Operation & Maintenance-Plant	1,314,533	2,982	543,213	0	1,860,728
Supporting Services-Pupil Transportation	1,078,225	154	0	0	1,078,379
Central Services	145,857	29,800	0	0	175,657
Extracurricular Activities					
Academic & Subject Oriented Activities	0	9,806	0	0	9,806
Occupation Oriented Activities	0	14,020	0	0	14,020
Sports Oriented Activities	236,236	123,440	0	0	359,676
Co-curricular Activities	0	117	0	0	117
<b>Total Expenditures</b>	<b>12,717,174</b>	<b>1,208,463</b>	<b>551,438</b>	<b>5,857</b>	<b>14,482,932</b>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	757,909	81,332	(310,554)	1,336	530,023
Other Financing Sources and Uses:					
Transfers-In	0	4,266	300,000	0	304,266
Refund of Prior Years' Expenditures	26,770	356	0	0	27,126
Transfers-Out	(300,000)	(3,504)	0	0	(303,504)
Refund of Prior Years' Receipts	0	(21)	0	0	(21)
Other Miscellaneous Use of Funds	0	0	0	(3,035)	(3,035)
<b>Net Other Financing Sources and Uses</b>	<b>(273,230)</b>	<b>1,097</b>	<b>300,000</b>	<b>(3,035)</b>	<b>24,832</b>
Excess (Deficiency) of Revenue Receipts and Other Sources Over (Under) Expenditure Disbursement and Other Uses	484,679	82,429	(10,554)	(1,699)	554,855
Beginning Fund Balance	3,501,091	308,528	(195,864)	25,283	3,639,038
Ending Fund Balance	\$ 3,985,770	\$ 390,957	(206,418)	23,584	\$ 4,193,893

See Accompanying Notes to the General Purpose Financial Statements

**Logan Elm Local School District**  
**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Basis)**  
**All Governmental Fund Types and Similar Fiduciary Fund Types**  
**Year Ended June 30, 2000**

	General Fund			Special Revenue Funds		
	Revised		Variance	Revised		Variance
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
Revenues:						
Taxes	\$ 6,842,000	6,744,528	(97,472)	0	0	\$ 0
Tuition	82,000	82,649	649	0	0	0
Transportation Fees	24,000	24,748	748	0	0	0
Earnings on Investments	300,000	354,653	54,653	0	0	0
Extracurricular Activities	0	0		203,291	244,064	40,773
Classroom Materials & Fees	56,000	61,633	5,633	0	0	0
Miscellaneous	100,000	110,104	10,104	5,500	5,610	110
Restricted Grants in Aid	0	0	0	3,500	3,689	189
Revenue in Lieu of Taxes	35,000	38,591	3,591	0	0	0
Unrestricted Grants in Aid	5,298,768	5,426,696	127,928	25,000	25,000	0
Restricted Grants in Aid	80,000	95,279	15,279	295,000	299,695	4,695
Revenue for/on Behalf of District	1,000	1,270	270	0	0	0
Restricted Grants in Aid	0	0	0	670,000	749,372	79,372
<b>Total Revenue</b>	<b>12,818,768</b>	<b>12,940,151</b>	<b>121,383</b>	<b>1,202,291</b>	<b>1,327,430</b>	<b>125,139</b>
Expenditures:						
Regular Instruction	5,918,737	5,792,863	125,874	250,000	231,110	18,890
Special Instruction	1,428,031	1,405,177	22,854	428,517	413,159	15,358
Vocational Instruction	10,963	10,575	388	0	0	0
Support Services-Pupils	442,066	434,658	7,408	140,000	130,102	9,898
Support Services-Instructional Staff	341,601	330,473	11,128	215,000	205,958	9,042
Support Services-Board of Education	87,202	80,136	7,066	200	200	0
Support Services-Administration	1,349,406	1,325,804	23,602	85,000	80,935	4,065
Fiscal Services	388,530	355,613	32,917	0	0	0
Support Services-Business	2,997	2,997	0	0	0	0
Operation & Maintenance-Plant	1,350,916	1,326,170	24,746	3,500	2,982	518
Support Services-Transportation	1,083,764	1,031,361	52,403	200	154	46
Central Services	144,911	138,808	6,103	35,000	29,800	5,200
Academic & Subject Oriented	0	0	0	12,000	10,980	1,020
Occupation Oriented	0	0	0	17,000	14,020	2,980
Sports Oriented	234,811	230,990	3,821	175,000	158,533	16,467
Co-curricular Activities	0	0	0	200	117	83
<b>Total Expenditures</b>	<b>12,783,935</b>	<b>12,465,625</b>	<b>318,310</b>	<b>1,361,617</b>	<b>1,278,050</b>	<b>83,567</b>
Excess of Revenue Over (Under) Expenditures	34,833	474,526	439,693	(159,326)	49,380	208,706
Other Financing Sources (Uses):						
Transfers-In	0	0	0	0	3,842	3,842
Advances-In	0	345,303	345,303	0	215,103	215,103
Refund of Prior Years' Expenditures	0	27,049	27,049	0	737	737
Transfers-Out	(300,000)	(300,000)	0	0	0	0
Advances-Out	(176,374)	(479,664)	(303,290)	0	(216,530)	(216,530)
Refund of Prior Years' Receipts	0	0	0	(21)	(21)	0
Other Miscellaneous Use of Funds	0	0	0	0	0	0
<b>Total Other Sources (Uses)</b>	<b>(476,374)</b>	<b>(407,312)</b>	<b>69,062</b>	<b>(21)</b>	<b>3,131</b>	<b>3,152</b>
Excess of Revenues & Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(441,541)	67,214	508,755	(159,347)	52,511	211,858
Beginning Fund Balance	4,252,707	4,252,707	0	324,607	324,607	0
Prior Year Carry Over Encumbrances	130,842	130,842	0	22,881	22,881	0
<b>Ending Fund Balance</b>	<b>\$ 3,942,008</b>	<b>4,450,763</b>	<b>508,755</b>	<b>188,141</b>	<b>399,999</b>	<b>\$ 211,858</b>

(Continued)

**Logan Elm Local School District**  
**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Basis)**  
**All Governmental Fund Types and Similar Fiduciary Fund Types- (continued)**  
**Year Ended June 30, 2000**

	Capital Projects Funds			Expendable Trust Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$ 210,000	208,906	(1,094)	0	0	\$ 0
Tuition	0	0	0	0	0	0
Transportation Fees	0	0	0	0	0	0
Earnings on Investments	0	0	0	5,500	6,210	710
Extracurricular Activities	0	0	0	0	0	0
Classroom Fees & Materials	0	0	0	0	0	0
Miscellaneous	0	0	0	0	983	983
Restricted Grants in Aid	0	0	0	0	0	0
Revenue in Lieu of Taxes	15,266	15,266	0	0	0	0
Unrestricted Grants in Aid	0	0	0	0	0	0
Restricted Grants in Aid	0	0	0	0	0	0
Revenue for/on Behalf of District	0	0	0	0	0	0
Restricted Grants in Aid	0	0	0	0	0	0
<b>Total Revenue</b>	<b>225,266</b>	<b>224,172</b>	<b>(1,094)</b>	<b>5,500</b>	<b>7,193</b>	<b>1,693</b>
Expenditures:						
Regular Instruction	3,200	3,198	2	0	0	0
Special Instruction	0	0	0	0	0	0
Vocational Instruction	0	0	0	0	0	0
Support Services-Pupils	0	0	0	0	0	0
Support Services-Instructional Staff	0	0	0	6,847	6,847	0
Support Services-Board of Education	0	0	0	1,131	1,131	0
Support Services-Administration	5,100	5,027	73	43	43	0
Fiscal Services	0	0	0	0	0	0
Support Services-Business	0	0	0	0	0	0
Operation & Maintenance-Plant	860,823	848,979	11,844	0	0	0
Support Services-Transportation	0	0	0	0	0	0
Central Services	0	0	0	0	0	0
Academic & Subject Oriented	0	0	0	0	0	0
Occupation Oriented	0	0	0	0	0	0
Sports Oriented	0	0	0	0	0	0
Co-curricular Activities	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>869,123</b>	<b>857,204</b>	<b>11,919</b>	<b>8,021</b>	<b>8,021</b>	<b>0</b>
Excess of Revenue Over (Under) Expenditures	(643,857)	(633,032)	10,825	(2,521)	(828)	1,693
Other Financing Sources (Uses):						
Transfers-In	300,000	300,000	0	0	424	424
Advances-In	401,108	264,561	(136,547)	0	0	0
Refund of Prior Years' Expenditures	0	0	0	0	0	0
Transfers-Out	0	0	0	0	(424)	(424)
Advances-Out	0	(128,773)	(128,773)	0	0	0
Refund of Prior Years' Receipts	0	0	0	0	0	0
Other Miscellaneous Use of Funds	0	0	0	(3,035)	(3,035)	0
<b>Total Other Sources (Uses)</b>	<b>701,108</b>	<b>435,788</b>	<b>(265,320)</b>	<b>(3,035)</b>	<b>(3,035)</b>	<b>0</b>
Excess of Revenues & Other Financing Sources Over (Under) Expenditures and Other Financing Uses	57,251	(197,244)	(254,495)	(5,556)	(3,863)	1,693
Beginning Fund Balance	51,315	51,315	0	24,429	24,429	0
Prior Year Carry Over Encumbrances	8,314	8,314	0	848	848	0
<b>Ending Fund Balance</b>	<b>\$ 116,880</b>	<b>(137,615)</b>	<b>(254,495)</b>	<b>19,721</b>	<b>21,414</b>	<b>\$ 1,693</b>

(Continued)

**Logan Elm Local School District**  
**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Basis)**  
**All Governmental Fund Types and Similar Fiduciary Fund Types- (continued)**  
**Year Ended June 30, 2000**

	Totals (Memorandum Only)		
	Revised		Variance
	Budget	Actual	Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ 7,052,000	6,953,434	\$ (98,566)
Tuition	82,000	82,649	649
Transportation Fees	24,000	24,748	748
Earnings on Investments	305,500	360,863	55,363
Extracurricular Activities	203,291	244,064	40,773
Classroom Materials & Fees	56,000	61,633	5,633
Miscellaneous	105,500	116,697	11,197
Restricted Grants in Aid	3,500	3,689	189
Revenue in Lieu of Taxes	50,266	53,857	3,591
Unrestricted Grants in Aids	5,323,768	5,451,696	127,928
Restricted Grants in Aids	375,000	394,974	19,974
Revenue for/on Behalf of District	1,000	1,270	270
Restricted Grants in Aid	670,000	749,372	79,372
<b>Total Revenue</b>	<b>14,251,825</b>	<b>14,498,946</b>	<b>247,121</b>
<b>Expenditures:</b>			
Regular Instruction	6,171,937	6,027,171	144,766
Special Instruction	1,856,548	1,818,336	38,212
Vocational Instruction	10,963	10,575	388
Support Services-Pupils	582,066	564,760	17,306
Support Services-Instructional Staff	563,448	543,278	20,170
Support Services-Board of Education	88,533	81,467	7,066
Support Services-Administration	1,439,549	1,411,809	27,740
Fiscal Services	388,530	355,613	32,917
Support Services-Business	2,997	2,997	0
Operation & Maintenance-Plant	2,215,239	2,178,131	37,108
Support Services-Transportation	1,083,964	1,031,515	52,449
Central Services	179,911	168,608	11,303
Academic & Subject Oriented	12,000	10,980	1,020
Occupation Oriented	17,000	14,020	2,980
Sports Oriented	409,811	389,523	20,288
Co-Curricular Activities	200	117	83
<b>Total Expenditures</b>	<b>15,022,696</b>	<b>14,608,900</b>	<b>413,796</b>
Excess of Revenue Over (Under) Expenditures	(770,871)	(109,954)	660,917
<b>Other Financing Sources (Uses):</b>			
Transfers-In	300,000	304,266	4,266
Advances-In	401,108	824,967	423,859
Refund of Prior Years' Expenditures	0	27,786	27,786
Transfers-Out	(300,000)	(300,424)	(424)
Advances-Out	(176,374)	(824,967)	(648,593)
Refund of Prior Years' Receipts	(21)	(21)	0
Other Miscellaneous Use of Funds	(3,035)	(3,035)	0
<b>Total Other Sources (Uses)</b>	<b>221,678</b>	<b>28,572</b>	<b>(193,106)</b>
Excess of Revenues & Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(549,193)	(81,382)	467,811
Beginning Fund Balance	4,653,058	4,653,058	0
Prior Year Carry Over Encumbrances	162,885	162,885	0
<b>Ending Fund Balance</b>	<b>\$ 4,266,750</b>	<b>4,734,561</b>	<b>\$ 467,811</b>

See Accompanying Notes to the General Purpose Financial Statements

**Logan Elm Local School District**  
**Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Balance**  
**All Proprietary Fund Types and Non-Expendable Trust Funds**  
**Year Ended June 30, 2000**

	Enterprise Funds	Internal Service Funds	Non- Expendable Funds	Totals (Memorandum) (Only)
Operating Revenues:				
Food Services	\$ 492,114	0	0	\$ 492,114
Charges for Services	0	1,285,427	0	1,285,427
Total Operating Revenue	492,114	1,285,427	0	1,777,541
Operating Expenses:				
Personal Services - Salary	243,071	0	0	243,071
Employee Benefits	101,341	322,434	0	423,775
Purchased Services	34,444	31,473	0	65,917
Supplies and Materials	271,665	0	0	271,665
Claims and Administrative Fees	0	1,086,829	0	1,086,829
Depreciation	17,117	0	0	17,117
Total Operating Expenses	667,638	1,440,736	0	2,108,374
Operating Loss	(175,524)	(155,309)	0	(330,833)
Non-Operating Revenues:				
Earnings on Investment	8,295	0	0	8,295
Revenues from State Sources	7,440	0	0	7,440
Revenues from Federal Sources	158,196	0	0	158,196
Sale & Loss of Assets	0	0	0	0
Total Non-Operating Revenue	173,931	0	0	173,931
Net loss	(1,593)	(155,309)	0	(156,902)
Beginning Retained Earnings/Fund Balance	167,725	442,326	104,300	714,351
Prior Period Adjustment (See Note 7)	48,652	0	0	48,652
Retained Earnings/Fund Balance at End of Year	<u>\$ 214,784</u>	<u>287,017</u>	<u>104,300</u>	<u>\$ 606,101</u>

See Accompanying Notes to the General Purpose Financial Statements

**Logan Elm Local School District**  
**Combined Statement of Cash Flows**  
**All Proprietary Fund Types and Non-Expendable Trust Funds**  
**Year Ended June 30, 2000**

	Enterprise Funds	Internal Service Funds	Non- Expendable Funds	Totals (Memorandum (Only))
Cash Flows from Operating Activities				
Operating Gain (Loss)	\$ (175,524)	(155,309)	0	\$ (330,833)
Adjustments to Reconcile Operating Loss to Net Cash provided by Operating Activities:				
Depreciation	17,117	0	0	17,117
Donated Commodities Used During Year	36,620	0	0	36,620
Net Increase in Assets:				
Intergovernmental Receivable	18,888	0	0	18,888
Other Receivable	121	0	0	121
Inventory	(1,578)	0	0	(1,578)
Prepaid Claims	0	(83,199)	0	(83,199)
Net Increase (Decrease) in Liabilities:				
Due to Other Funds	32,071	0	0	32,071
Accounts Payable	1,271	87	0	1,358
Accrued Wages and Benefits	5,105	(54,784)	0	(49,679)
Compensated Absences	3,808	0	0	3,808
Intergovernmental Payable	(30,295)	(4,038)	0	(34,333)
Claims Payable	0	22,183	0	22,183
Deferred Revenue	11,888	0	0	11,888
Net Adjustments	95,016	(119,751)	0	(24,735)
Net Cash Used in Operating Activities	(80,508)	(275,060)	0	(355,568)
Cash Flows from Noncapital Financing Activities:				
Grants from State and Federal Sources	129,016	0	0	129,016
Net Cash Provided by Noncapital Financing Sources	129,016	0	0	129,016
Cash Flows from Investing Activities:				
Interest	8,295	0	0	8,295
Net Cash Provided by Investing Activities	8,295	0	0	8,295
Net Increase in Cash & Cash Equivalents	56,803	(275,060)	0	(218,257)
Cash and Cash Equivalents at Beginning of Year	118,624	689,741	104,300	912,665
Cash and Cash Equivalents at End of Year	\$ 175,427	414,681	104,300	\$ 694,408

See Accompanying Notes to General Purpose Financial Statements

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

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

**1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

Logan Elm Local School District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District operates under a locally-elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. This Board of Education controls the District's instructional/support facilities staffed by 109 classified and 157 certificated personnel who provide services to 2,375 students and other community members.

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For Logan Elm Local 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; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or 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 for the organization. The District has no component units.

The following entities which perform activities within the District boundaries for the benefit of its residents are excluded from the accompanying financial statements because the District is not financially accountable for these entities nor are they fiscally dependent on the District.

***City of Circleville*** - The city governments are a separate body politic and corporate. A mayor and council are elected independent of any District relationships and administer the provision of traditional city services. The council acts as the taxing and budgeting authority for these city services.

***Townships of Pickaway, Washington, Salt Creek (Pickaway County), Perry, Salt Creek (Hocking County)*** - Township governments are separate bodies politic and corporate. A board of trustees and clerk are elected independent of any District relationships and administer the traditional township services. The Trustees act as the taxing and budgeting authority for these services.

***Pickaway County Public Library*** - The Library is a distinct political subdivision of the State of Ohio governed by a board of trustees. The board of trustees possesses it's own contracting and budgetary authority, hires and fires personnel and does not depend on the District for operational subsidies. The District does not exercise significant influence over its daily operations, participate in fiscal management or scope of public service, provide financial support, or hold accountability for fiscal matters.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

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

**1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY (Continued)**

***Parent Teacher Associations and Athletic/Music Boosters*** - These organizations exist to support various endeavors of the District through donations of time and other resources. Although the District benefits directly from the activities, the District is not involved in the budgeting or management, is not responsible for any debt and has no influence over the organization.

The District is associated with two organizations, one of which is a public entity risk pool, and the other a jointly governed organization. These organizations are the Ohio School Boards Association Workers' Compensation Group Rating Plan and the Metropolitan Educational Council (MEC). These organizations are discussed in Notes 11 and 14 to the general purpose financial statements.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Basis Of Presentation - Fund Accounting**

The District uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the District are grouped into the following generic fund types under the broad fund categories governmental, proprietary and fiduciary.

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

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



**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. Basis Of Presentation - Fund Accounting (Continued)**

**Special Revenue Funds** - Special revenue funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

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

**Proprietary Fund Types** - Proprietary funds are used to account for the District's ongoing activities which are similar to those found in the private sector. The following are the District's proprietary fund types:

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

**Internal Service Funds** – Internal Service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District on a cost-reimbursement basis.

**Fiduciary Fund Types** - Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The District's fiduciary funds include expendable trust, nonexpendable trust, and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Nonexpendable trust funds are accounted for in essentially the same manner as proprietary funds. The District's agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

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

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

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Measurement Focus and Basis of Accounting**

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

All proprietary fund types and nonexpendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental, expendable trust and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the District is sixty days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings, tuition, grants, entitlements and student fees. The District reports deferred revenues on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2000, and delinquent property taxes whose availability is indeterminable and which are intended to finance fiscal year 2001 operations, have been recorded as deferred 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 the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types and nonexpendable trust funds. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as federal subsidy revenue. Unused donated commodities are reported as deferred revenue.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Budgetary Data**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the one-digit object level within each two-digit function for the general fund and the fund level for all other funds. Any budgetary modifications at these levels may only be made by resolution of the Board of Education.

**Tax Budget** - 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 express purpose of this budget document is to reflect the need for existing or increased tax rates. By no later than January 20, the Board-adopted budget is filed with the County Budget Commission for rate determination.

**Estimated Resources** - By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year.

**Appropriations** - Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission. Any revisions that alter the total of any fund appropriations or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Budgetary Data (Continued)**

***Encumbrances*** - As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Encumbrances plus expenditures may not legally exceed appropriations at the legal level of control. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

***Lapsing of Appropriations*** - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

**D. Cash and Cash Equivalents**

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

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2000 amounted to \$355,210 of which \$156,210 was assigned from other funds. The expendable trust funds and enterprise funds also received interest revenue of \$6,210 and \$8,295 respectively.

For purposes of the statement of cash flows, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents.

**E. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. During fiscal year 1998, the District received a \$63,986 refund from the Bureau of Workers' Compensation which State statute required to be included in this reserve. A fund balance reserve has also been established.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Taxes Receivable**

The financial statements reflect taxes receivable as of June 30, 2000. GAAP permits the recognition of revenue from any property tax assessment in the fiscal period it is levied, provided the funds are "available". "Available" means then due, or past due and receivable within the current period or expected to be collected soon thereafter. While these taxes have been assessed, the majority is not due at June 30, 2000 and accordingly has been recorded as deferred revenue in the accompanying financial statements. Taxes that become delinquent remain recorded in deferred revenue until they are determined to be uncollectible.

**G. Inventory**

Inventories of proprietary funds are stated at the lower of cost or market. Cost is determined on a first-in, first-out basis. No material inventory in governmental funds existed at June 30, 1999. Inventories of proprietary funds consist of donated food and purchased food held for resale and supplies, and are expended when used.

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2000, are recognized under the nonallocation method. The nonallocation method of prepayments and deferrals is consistent with the basic governmental concept that only expendable financial resources are reported by a specific governmental fund. Payments for the prepaid items or deferrals are fully recognized as an expenditure in the year of payment. Under the nonallocation method no asset for the prepayment or deferral is created, and no expenditure allocation to future accounting periods is required.

**I. Fixed Assets and Depreciation**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of five hundred dollars.

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 capitalized.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment and vehicles in the proprietary fund types is computed using the straight-line method over an estimated useful life of eight to twenty years. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Intergovernmental Revenues**

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and became measurable.

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

**Entitlements**

*General Fund*

State Foundation Program

*Special Revenue Funds*

Data Communications Subsidy

Disadvantaged Pupil Impact Aid

Educational Management Information Systems

*Capital Projects Fund*

School Net Plus Grant

**Non-Reimbursable Grants**

*Special Revenue Funds*

Comprehensive School Reform Demonstration

Continuous Improvement Implementation

Curricular Pathways

Drug Free Schools

Eisenhower

Martha Holden Jennings Foundation

OhioReads

Preschool Handicapped

Professional Development Block

Reading Excellence Act

Reading Recovery

School Improvement

School-to-Work

Summer Reading Intervention

Teen Pregnancy

Title I

Title VI

Title VI B

Title VI R

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Intergovernmental Revenues (Continued)**

**Reimbursable Grants**

*General Fund*

Driver Education Reimbursement

*Enterprise Fund*

Government Donated Commodities

National School Breakfast Program

National School Lunch Program

Grants and entitlements received in governmental funds amounted to approximately 44% percent of governmental fund revenue during the 2000 fiscal year.

**K. Interfund Assets/Liabilities**

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables" and "interfund payables". Long-term interfund loans are classified as "advances to/from other funds" and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources since they are not a component of net current assets.

**L. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the District's termination policy.

For governmental funds, the District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. The District records a liability for accumulated unused sick leave for all employees after 10 years of current service with the District. The current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**M. Accrued Liabilities and Long-Term Obligations**

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. In general, amounts paid more than sixty days after year end are considered not to have been paid with current available financial resources. Capital leases are recognized as a liability of the general long-term obligations account group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

**N. Interfund Transactions**

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**O. Fund Balance Reserves**

The District reserves fund balance for amounts that are legally segregated for a specific purpose or which are not available for appropriation. Unreserved fund balance indicates that portion of fund equity available for appropriation in future periods. Fund equity reserves have been established for encumbrances, nonexpendable trusts, budget stabilization, and future appropriation. The reserve for future appropriation represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures.

**P. Total Columns on General Purpose Financial Statements**

Total columns on the general purpose financial statements are captioned "Totals (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Q. Estimates**

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



**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

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

**3. BUDGETARY BASIS OF ACCOUNTING**

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type:

Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses Governmental Fund Types and Similar Fiduciary Fund Type				
	Governmental Fund Types			Fiduciary
	General Fund	Special Revenue	Capital Project	Expendable Trust
GAAP Basis	484,679	82,429	(10,554)	(1,699)
Increase (Decrease) Due to:				
Revenue Accruals	(534,653)	37,211	(16,712)	424
Expenditure Accruals	291,115	(4,504)	(213,096)	(1,739)
Encumbrances	(39,566)	(61,198)	(92,670)	(849)
Advances	(134,361)	(1,427)	135,788	0
Budget Basis	67,214	52,511	(197,244)	(3,863)

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

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

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

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

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

**4. CASH AND INVESTMENTS (Continued)**

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

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) 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 (STAROhio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

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

**4. CASH AND INVESTMENTS (Continued)**

Deposits: At year-end, the carrying amount of the District's deposits was \$801,778, the bank balance was \$4,478 and certificate of deposits 797,300. Of the bank balance, \$104,478 was covered by Federal Depository Insurance; and \$697,300 was uninsured and uncollateralized. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

**Investments:** The District's investments are required to be categorized to give an indication of the level of risk assumed by the District at fiscal year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counter party's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter party, or by its trust department or agent but not in the District's name. STAROhio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

All investments held at fiscal year-end were with STAR Ohio and in Certificate of Deposits. STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

The carrying amount and the fair value of investments held in STAR Ohio as of June 30, 2000 follows:

	Category			Carrying Value	Fair Value
	1	2	3		
STAR Ohio	0	0	0	4,961,763	4,961,763
Total Investments	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>	<u>\$ 4,961,763</u>	<u>\$ 4,961,763</u>

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in *GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting."* A reconciliation between the classifications of cash and cash equivalents and investments on the combined financial statements and the classifications of deposits and investments presented above per *GASB Statement No. 3* is as follows:

	Cash and Cash Equivalents	Investments
GASB Statement No.9	\$ 5,940,335	\$ 0
Investments:		
STAR Ohio	(4,961,763)	4,961,763
Total	978,572	4,961,763
Restricted Cash	(168,513)	
Cash with Fiscal Agent	(8,281)	0
GASB Statement No. 3	<u>\$801,778</u>	<u>\$4,961,763</u>

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

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

**4. CASH AND INVESTMENTS (Continued)**

**Cash and Cash Equivalents with Fiscal Agents:** Cash and Cash Equivalents with Fiscal Agents of \$8,281 in the internal service fund type represent monies held by the Ross County School Employees Insurance Consortium (RCSEIC) as of June 30, 2000. RCSEIC prepares an annual financial report following a basis of accounting prescribed or permitted by the Auditor of State of Ohio, which is similar to the cash receipts and disbursements basis of accounting. The report may be obtained by writing to RCSEIC, 19463 Pherson Pike, Williamsport, Ohio 43164.

**5. PROPERTY TAX**

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.

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the District. Property tax revenue received during calendar 2000 for real and public utility property taxes represents collections of calendar 1999 taxes. Property tax payments received during calendar 2000 for tangible personal property (other than public utility property) is for calendar 2000 taxes.

2000 real property taxes are levied after April 1, 2000, on the assessed value as of January 1, 2000, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value. First half 2000 real property taxes are collected in and intended to finance fiscal year 2001.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2000 public utility property taxes became a lien on December 31, 1999, are levied after April 1, 2000 and are collected in 2001 with real property taxes.

2000 tangible personal property taxes are levied after April 1, 1999, on the value as of December 31, 1999. Collections are made in 2000. Tangible personal property assessments are twenty-five percent of true 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 statutes permit alternate payment dates to be established.

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

Manufactured Home Tax, commonly referred to as House Trailer Tax, is based on the purchase price obtained from the title: (1) ninety-five percent unfurnished or (2) eighty percent furnished with a five percent drop each year

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

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

**5. PROPERTY TAX (Continued)**

All property is required to be revalued every six years. The last revaluation for the District's home county was completed in 1999. The next triennial update is scheduled for 2002. The assessed values upon which the fiscal year 2000 taxes were collected are:

	1999 Second- Half Collections		2000 First- Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Real Property	\$144,379,620	62.64%	\$170,245,020	67.64%
Public Utility	24,836,780	10.78%	22,287,760	8.85%
Tangible Personal Property	<u>61,250,982</u>	<u>26.58%</u>	<u>59,174,046</u>	<u>23.51%</u>
Total Assessed Value	<u>\$230,467,382</u>	<u>100.00%</u>	<u>\$251,706,826</u>	<u>100.00%</u>

The full tax rate at the fiscal year ended June 30, 2000 for operations was \$40.50 per \$1,000 of assessed valuation.

The District receives property taxes from Pickaway and Hocking 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, 2000, are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property, and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2000 was \$829,879, and is recognized as revenue. Approximately \$804,945 was available to the general fund and \$24,934 was available to the permanent improvement fund.

**6. RECEIVABLES**

Receivables at June 30, 2000 consisted of taxes and accounts (miscellaneous). All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes.

**7. FIXED ASSETS**

The following is a summary of the enterprise funds' property, plant and equipment at June 30, 2000:

Furniture and Equipment	\$ 437,647
Less Accumulated Depreciation	<u>(276,238)</u>
Net Fixed Assets	<u>\$ 161,409</u>

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

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

**7. FIXED ASSETS (Continued)**

The following is a summary of changes in the General Fixed Assets Account Group during the fiscal year 2000:

	General Fixed Assets June 30, 1999	Prior Period Adjustment s	Additions	Deletions	General Fixed Assets June 30, 2000
Land	\$ 8,024	\$ 0	\$ 0	\$ 0	\$ 8,024
Buildings	4,251,895	18,144	0	0	4,270,039
Improvements	490,590	555,442	90,980	0	1,137,012
Furniture and Equipment	3,190,381	(252,033)	194,064	42,432	3,089,980
Vehicles	1,456,019	(99,017)	158,688	62,730	1,452,960
Total	<u>\$ 9,396,909</u>	<u>\$ 222,536</u>	<u>\$443,732</u>	<u>\$105,162</u>	<u>\$ 9,958,015</u>

The prior period adjustments shown in the above chart summarizing changes in the General Fixed Assets Account Group during fiscal year 2000 and on the Combined Statement of Revenues, Expenses, and Changes in Retained Earnings - All Proprietary Funds (page 7) are the result of both the correction of errors from prior periods and changes in estimates from prior periods. The District went through a physical inventory and reappraisal of fixed assets in April 1999. The physical inventory revealed that deletions recorded in prior years were incomplete. The reappraisal resulted in many changes of the estimated historical cost of assets that existed both at the time of the initial appraisal in June 1996 and the recent reappraisal.

**8. DEFINED BENEFIT PENSION PLANS**

**A. State Teachers Retirement System**

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

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$939,552, \$884,376, and \$916,919, respectively; 83.33 percent has been contributed for fiscal year 2000, and 100 percent for fiscal years 1999 and 1998. \$156,592, representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(Continued)**

**8. DEFINED BENEFIT PENSION PLANS (Continued)**

**B. School Employees Retirement System**

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 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. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$283,896, \$268,320, and \$247,919, respectively; 44.31 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$178,406, representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds and the general long-term obligations account group.

**C. Social Security**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System / State Teachers Retirement System. As of June 30, 2000, two members of the Board of Education has elected Social Security. The Board's liability is 6.2 percent of wages paid.

**9. POSTEMPLOYMENT BENEFITS**

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 1999, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$536,887 for fiscal year 2000. STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$2.783 million at June 30, 1999 (the latest information available). For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 eligible benefit recipients.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(Continued)**

**9. POSTEMPLOYMENT BENEFITS (Continued)**

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

For the fiscal year ended June 30, 1999, employer contributions to fund health care benefits were 4.5 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay was established at \$12,400. The surcharge rate added to the unallocated portion of the 14 percent employer contribution rate provides for maintenance of the asset target level for the health care fund. For the District, this amount equaled \$229,101.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 199 (the latest information available), were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$188.0 million. The number of participants currently receiving health care benefits is approximately 51,000.

**10. EMPLOYEE BENEFITS**

**A. Compensated Absences**

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

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 50 days.

**B. Deferred Compensation**

School District employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. This plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency. The Ohio Public Employees Deferred Compensation Plan has established a trust fund whose assets are not held by the District in a fiduciary capacity and, thus, amounts are not reported on the District's balance sheet.



**LOGAN ELM LOCAL SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(Continued)**

**11. RISK MANAGEMENT**

**A. General Risk**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2000, the District contracted with Nationwide Insurance for liability, property, fleet, crime, and inland marine coverage. The District also purchases faithful performance bonds from Nationwide. Coverages provided at June 30, 2000 are as follows:

Building and Contents (\$1,000 deductible)	\$33,412,800
Inland Marine (\$250 deductible)	650,337
Automobile Liability (\$100 deductible)	3,000,000
Uninsured Motorists	3,000,000
Crime	
Theft, Inside the Premises	10,000
Theft, Outside the Premises	10,000
Public Employee Dishonesty	50,000
General Liability	
Aggregate	5,000,000
Per Occurrence	2,000,000
Fire Damage Limit (Any One Fire)	100,000
Medical Expense Limit (Any One Person)	5,000
Public Official Bonds	
Treasurer	50,000
Superintendent / Board President (each)	20,000
Board Vice President / 3 Administrative Assets (each)	5,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in coverage from the prior year.

**B. Workers Compensation**

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

**LOGAN ELM LOCAL SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(Continued)**

**11. RISK MANAGEMENT (Continued)**

**B. Workers Compensation (Continued)**

The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

**C. Health / Medical and Dental Insurance**

Health and dental insurance is offered to employees through self-insurance internal service funds. Professional Risk Management, Inc., is the third party administrator for both programs. In regards to health / medical insurance, the District participates as a member of the Ross County School Employees Insurance Consortium (RCSEIC). RCSEIC currently includes 18 member school districts. Health / medical insurance premiums are determined by the RCSEIC board of directors and are remitted monthly to the consortium's fiscal agent, who then pays all incurred claims. Dental insurance premiums are determined by the District Board of Education, which then pays all incurred claims.

Professional Risk Management, Inc., a third party administrator, services all health / medical claims and dental claims submitted by employees. The District has obtained a stop-loss coverage insurance policy covering individual claims in excess of \$65,000 per covered person and aggregate stop-loss coverage of \$2,000,000.

Changes in claim activity for the last two fiscal years are as follows:

	<u>June 30, 2000</u>	<u>June 30, 1999</u>
Claim Liabilities at beginning of fiscal year	\$ 188,428	\$ 92,528
Incurred Claims	1,086,829	1,195,575
Claims Paid	<u>(1,064,645)</u>	<u>(1,099,675)</u>
Claim Liabilities at end of fiscal year	<u>\$ 210,612</u>	<u>\$ 188,428</u>

The District also provides life insurance for all full-time employees based on negotiated agreements, Board policy, and individual contracts.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

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

**12. LONG-TERM DEBT**

**Long-Term Debt:**

A summary of changes in long-term obligations for the year ended June 30, 2000, are as follows:

	Balance 6/30/99	Additions	Deletions	Balance 6/30/00
Capital Leases Payable	5,623	0	1,545	4,078
Intergovernmental Payable	102,364	105,644	102,364	105,644
Compensated Absences	842,885	72,754	0	915,639
Total General Long-Term Obligations	<u>\$ 950,872</u>	<u>\$ 178,398</u>	<u>\$ 103,909</u>	<u>\$ 1,025,361</u>

The Ohio Revised Code (ORC) provides that the net debt of a school district, whether or not approved by the people, shall not exceed 9.0% of the total value of all property in the District as listed and assessed for taxation. In addition, the unvoted net debt of a school district cannot exceed .1% of the total assessed value of property. The District's unvoted debt limit at June 30, 2000 is \$251,707. The voted debt limit is \$22,653,614.

**13. SEGMENTS OF ENTERPRISE ACTIVITIES**

Key financial data for the District's Enterprise Funds for the year ended June 30, 2000, are as follows:

	Lunchroom Fund	Uniform Supply Fund	Total
Operating Revenues	\$ 492,114	\$ 0	\$ 492,114
Operating Expenses:			
Depreciation	17,117	0	17,117
Other Expenses	650,521	0	650,521
Total Operating Expenses	<u>667,638</u>	<u>0</u>	<u>667,638</u>
Operating Income (Loss)	<u>(175,524)</u>	<u>0</u>	<u>(175,524)</u>
Non Operating Revenues and Expenses:			
State and Federal Subsidies	127,184	0	127,184
Federal Commodities	38,452	0	38,452
Investment Earnings	8,295	0	8,295
Net Income (Loss)	<u>\$ (1,593)</u>	<u>\$ 0</u>	<u>\$ (1,593)</u>
Net Working Capital	117,333	1,327	118,660
Total Assets	354,190	1,327	355,517
Encumbrances	4,804	0	4,804
Retained Earnings	\$ 213,457	\$ 1,327	\$ 214,784

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

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

**14. JOINTLY GOVERNED ORGANIZATIONS**

Metropolitan Educational Council – The District is a participant in the Metropolitan Educational Council, which is a computer consortium. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of MEC consists of one representative from each participating District in Franklin County, and one representative from each county with participating districts outside of Franklin County. The District paid MEC \$78,391 for services provided during the year.

**15. CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

The District is a party to legal proceedings. The District is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the District.

**16. SCHOOL FUNDING DECISION**

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the District. During the fiscal year ended June 30, 2000, the District received \$4,931,710 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on the issue. The Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly..." including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program, as discussed above, and the mechanism for, and of, funding for school facilities.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

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

**16. SCHOOL FUNDING DECISION (Continued)**

The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001. As of the date of these financial statements, the District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under these programs and on its financial operations.

**17. STATUTORY RESERVES**

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

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

	Textbook Reserve	Capital Maintenance Reserve	Budget Stabilization Reserve	Total
Balance 7/1/1999	\$ 0	\$ 0	\$ 63,986	\$ 63,986
Required Set-Aside	313,582	313,582	104,527	731,691
Offset Credits	0	235,015	0	235,015
Qualifying Expenditures	331,924	434,118	0	766,042
Balance 6/30/2000	\$ (18,342)	\$ 0	\$ 168,513	\$ 168,513

**18. FUND DEFICITS**

The Permanent Improvement Fund had a deficit balance of \$206,418 at June 30, 2000. The deficit resulted from the conversion to generally accepted accounting principles and adjustments for accrued liabilities. The District is aware of the deficits and will take the necessary steps to alleviate the deficit. The deficit results from revenue being insufficient to cover expenditures on the modified accrual basis of accounting. The General Fund is liable for any deficit in the fund and provides operating transfers when cash is required, not when accruals occur.

The Internal Service Self Insurance Fund had a deficit fund balance of \$127,413 at June 30, 2000. The deficit resulted from the conversion to generally accepted accounting principles and the accrual adjustments for incurred but not reported claims (IBNR) and incurred but not paid claims (IBNP).

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**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2000**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
Passed Through Ohio Department of Education						
Child Nutrition Cluster (See Note "B")						
National School Commodities		10.550	\$0	\$38,452	\$0	\$36,621
National School Breakfast Program	05-PU 99/00	10.553	7,449	0	7,449	0
National School Lunch Program	03, 04-PU 99/00	10.555	<u>142,475</u>	<u>0</u>	<u>142,475</u>	<u>0</u>
<b>Total U.S. Department of Education - Nutrition Cluster</b>			<b><u>149,924</u></b>	<b><u>38,452</u></b>	<b><u>149,924</u></b>	<b><u>36,621</u></b>
<b>U.S. DEPARTMENT OF Labor</b>						
Passed Through Ohio Department of Education						
Employment Services and Job Trining Pilot	WK-BE 99/00	17.249	95,000	0	97,202	0
<b>U.S. DEPARTMENT OF EDUCATION</b>						
Passed Through Ohio Department of Education						
Special Education Cluster:						
Special Education Grants to States & Special Education F	6B-SF 99/00 P	84.027	166,068	0	122,149	0
Early Childhood Education Development (Preschool) G	PG-S1 00P	84.173	<u>8,146</u>	<u>0</u>	<u>8,460</u>	<u>0</u>
<b>Total U.S. Department of Education - Special Education Cluster</b>			<b><u>174,214</u></b>	<b><u>0</u></b>	<b><u>130,609</u></b>	<b><u>0</u></b>
Title 1, Part A, IASA	CI-S1 99/00	84.010	373,694	0	370,734	0
Safe & Drug Free Schools-State Grants Title IV, Part A,	DR-S1 00	84.186	11,186	0	10,005	0
Goals 2000 State and Local Education System Improve	G2-S1 00	84.276	90,000	0	86,419	0
Eisenhower Professional Development State GrantsTitl	MS-S1 98/99/00	84.281	6,911	0	6,126	0
Innovative Education Program Strategies	C2-S1 00	84.298	4,877	0	4,942	0
Comprehensive School Reform	RF-S1 00	84.332	62,500	0	56,458	0
Reading Excellence Act	H2-88-00	84.338	39,134	0	0	0
Title VIR Class Reduction Grant	CR-S1-00	84.340	<u>35,324</u>	<u>0</u>	<u>30,840</u>	<u>0</u>
<b>Total Passed Through the Ohio Department of Education</b>			<b><u>797,840</u></b>	<b><u>0</u></b>	<b><u>696,133</u></b>	<b><u>0</u></b>
<b>Total</b>			<b><u>\$1,042,764</u></b>	<b><u>\$38,452</u></b>	<b><u>\$943,259</u></b>	<b><u>\$36,621</u></b>

See Accompanying Notes to Schedule of Federal Awards

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
JUNE 30, 2000**

**NOTE A- SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) summarizes activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

**NOTE B- FOOD DISTRIBUTION**

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture in the Schedule at fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State Grants. It is assumed federal monies are expended first. At June 30, 2000, the District had no significant food commodities in inventory.





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Logan Elm Local School District  
Pickaway County  
9579 Tarlton Road  
Circleville, Ohio 45601

To the Board of Education

We have audited the financial statements of the Logan Elm Local School District, Pickaway County, Ohio (the District) as of and for the year ended June 30, 2000, and have issued our report thereon dated January 17, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance that is required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated January 17, 2001.

**Internal Control Over Financial Reporting**

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

Board of Education  
Logan Elm Local School District  
Pickaway County  
Report on Compliance and on Internal Control Required by  
*Government Auditing Standards*  
Page 2

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

**JIM PETRO**  
Auditor of State

January 17, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR

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

Logan Elm Local School District  
Pickaway County  
9579 Tarlton Road  
Circleville, Ohio 43113

To the Board of Education

**Compliance**

We have audited the compliance of the Logan Elm Local School District, Pickaway 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 are applicable to its major federal programs for the year ended June 30, 2000. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

**Internal Control Over Compliance**

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

Board of Education  
Logan Elm Local School District  
Pickaway County  
Report on Compliance With Requirements Applicable to Each Major  
Federal Program, Internal Control Over Compliance  
In Accordance With OMB Circular A-133 and Schedule of Federal Awards Expenditures  
Page 2

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

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

**JIM PETRO**  
Auditor of State

January 17, 2001

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133, SECTION .505  
JUNE 30, 2000**

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

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under Section .510?	No
(d)(1)(vii)	Major Programs (list):	<b>Education Cluster:</b> Title VI-B CFDA# 84.027 Preschool Grant CFDA #814.173 <b>Nutrition Cluster:</b> Commodities CFDA #10.550, School Breakfast CFDA#10.553 School Lunch CFDA #10.555
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

NONE

**3. FINDINGS FOR FEDERAL AWARDS**

NONE





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**LOGAN ELM LOCAL SCHOOL DISTRICT**

**PICKWAY 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  
FEBRUARY 22, 2001**