

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

---

GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 1998





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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**JIM PETRO, AUDITOR OF STATE**

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Board of Education  
Upper Scioto Valley Local School District  
510 S. Courtright St.  
McGuffey, OH 45859

We have reviewed the independent auditor's report of the Upper Scioto Valley Local School District, Hardin County, prepared by E.S. Evans and Company, for the audit period July 1, 1997 through June 30, 1998. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

**JIM PETRO**  
Auditor of State

October 4, 2001

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UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT -----	1
GENERAL PURPOSE FINANCIAL STATEMENTS -	
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS-----	2
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES-----	4
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL - ALL GOVERNMENTAL FUND TYPES -----	5
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY - PROPRIETARY FUND TYPE -----	9
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL - PROPRIETARY FUND TYPE -----	10
COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE-----	11
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS -----	13
REPORT ON COMPLIANCE AND INTERNAL CONTROL BASED ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS-----	45
SCHEDULE OF FINDINGS -----	47
SCHEDULE OF PRIOR AUDIT FINDINGS-----	55

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# **E.S. Evans and Company**

**Certified Public Accountants and Consultants**

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Robert E. Wendel, CPA • Dan F. Clifford, CPA • E.S. Evans, CPA, PFS (1930-1999)

August 22, 2001

## INDEPENDENT AUDITORS' REPORT

Board of Education

Upper Scioto Valley Local School District and  
Hardin County, Ohio

Auditor of State of Ohio

Columbus, Ohio

We were engaged to audit the accompanying general purpose financial statements of the Upper Scioto Valley Local School District as of and for the year ended June 30, 1998. These general purpose financial statements are the responsibility of the District's management.

The Upper Scioto Valley Local School District had many inadequacies and lack of documentation to support the financial records of the School District for the year ended June 30, 1998. The School District's records do not permit the application of enough auditing procedures as significant adjustments and unsupported transactions are reflected on the financial statements of the School District.

Because of these inadequacies and lack of records and reconciliations, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on these general purpose financial statements.

In accordance with Government Auditing Standards, we have also issued a report dated August 22, 2001 on our consideration of Upper Scioto Valley Local School 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.

*E.S. Evans and Company*

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1998

<b>Assets and Other Debits</b>	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 592,176	\$ 53,128	\$ -	\$ 82,820
Restricted Cash and Cash Equivalents	21,375	-	-	
Receivables -				
Taxes	1,163,398	-	68,531	-
Accounts	3,055	-	-	-
Intergovernmental	-	37,063	-	24,000
Interfund	82,294	-	-	-
Accrued Interest	697	-	-	-
Prepaid Items	24,035	677	-	-
Inventory Held for Resale	-	-	-	-
Materials and Supplies Inventory	-	-	-	-
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	-	-	-	-
<b>Other Debits:</b>				
Amount to be Provided from General Government Resources	-	-	-	-
<b>Total Assets and Other Debits</b>	<b>\$ 1,887,030</b>	<b>\$ 90,868</b>	<b>\$ 68,531</b>	<b>\$ 106,820</b>
<b>Liabilities, Fund Equity and Other Credits</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 20,966	\$ 2,009	\$ -	\$ 29,000
Payroll Withholdings	12,661	-	-	-
Accrued Wages and Benefits	303,313	17,033	-	-
Compensated Absences Payable	1,907	-	-	-
Interfund Payable	-	71,294	-	-
Intergovernmental Payable	97,542	2,892	-	-
Deferred Revenue	981,307	-	68,531	-
Undistributed Monies	-	-	-	-
Due to Students	-	-	-	-
Capital Leases Payable	-	-	-	-
Energy Conservation Loan Payable	-	-	-	-
<b>Total Liabilities</b>	<b>1,417,696</b>	<b>93,228</b>	<b>68,531</b>	<b>29,000</b>
<b>Fund Equity and Other Credits:</b>				
Investment in General Fixed Assets	-	-	-	-
Retained Earnings, Unreserved	-	-	-	-
Fund Balance -				
Reserved for Encumbrances	41,302	3,556	-	5,000
Reserved for Property Taxes	92,821	-	-	-
Reserved for Budget Stabilization	21,375	-	-	-
Unreserved (Deficit)	313,836	(5,916)	-	72,820
<b>Total Fund Equity and Other Credits</b>	<b>469,334</b>	<b>(2,360)</b>	<b>-</b>	<b>77,820</b>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$ 1,887,030</b>	<b>\$ 90,868</b>	<b>\$ 68,531</b>	<b>\$ 106,820</b>

The accompanying notes are an integral part of these financial statements



Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Agency			
\$ 20,346	\$ 43,533	\$ -	\$ -	\$ 792,003
-	-	-	-	21,375
-	-	-	-	1,231,929
2,169	-	-	-	5,224
-	-	-	-	61,063
-	-	-	-	82,294
-	-	-	-	697
2,172	-	-	-	26,884
8,646	-	-	-	8,646
1,475	-	-	-	1,475
14,244	-	3,850,481	-	3,864,725
-	-	-	1,252,795	1,252,795
<u>\$ 49,052</u>	<u>\$ 43,533</u>	<u>\$ 3,850,481</u>	<u>\$ 1,252,795</u>	<u>\$ 7,349,110</u>
\$ 440	\$ -	\$ -	\$ -	\$ 52,415
-	-	-	-	12,661
13,278	-	-	-	333,624
4,232	-	-	266,077	272,216
10,000	1,000	-	-	82,294
9,722	-	-	36,226	146,382
5,911	-	-	-	1,055,749
-	19,044	-	-	19,044
-	23,489	-	-	23,489
-	-	-	720,492	720,492
-	-	-	230,000	230,000
<u>43,583</u>	<u>43,533</u>	<u>-</u>	<u>1,252,795</u>	<u>2,948,366</u>
-	-	3,850,481	-	3,850,481
5,469	-	-	-	5,469
-	-	-	-	49,858
-	-	-	-	92,821
-	-	-	-	21,375
-	-	-	-	380,740
<u>5,469</u>	<u>-</u>	<u>3,850,481</u>	<u>-</u>	<u>4,400,744</u>
<u>\$ 49,052</u>	<u>\$ 43,533</u>	<u>\$ 3,850,481</u>	<u>\$ 1,252,795</u>	<u>\$ 7,349,110</u>

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UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

For the Year Ended June 30, 1998

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
<u>Revenues:</u>					
Property Taxes	\$ 1,004,120	\$ -	\$ 55,990	\$ -	\$ 1,060,110
Income Taxes	232,733	-	-	-	232,733
Intergovernmental	2,585,001	98,974	-	28,900	2,712,875
Interest	47,814	-	-	-	47,814
Tuition and Fees	5,312	-	-	-	5,312
Extracurricular Activities	-	65,678	-	-	65,678
Gifts and Donations	370	175	-	-	545
Miscellaneous	46,752	-	-	67,624	114,376
Total Revenues	<u>3,922,102</u>	<u>164,827</u>	<u>55,990</u>	<u>96,524</u>	<u>4,239,443</u>
<u>Expenditures:</u>					
Current -					
Instruction -					
Regular	1,639,632	21,479	-	-	1,661,111
Special	299,009	112,635	-	-	411,644
Vocational	178,764	-	-	-	178,764
Other	27,056	-	-	-	27,056
Support Services -					
Pupils	102,074	17,617	-	-	119,691
Instructional Staff	147,982	10,490	-	114,208	272,680
Board of Education	17,935	-	-	-	17,935
Administration	398,666	-	-	-	398,666
Fiscal	129,194	-	-	-	129,194
Operation and Maintenance	352,870	-	-	54,357	407,227
Pupil Transportation	258,550	-	-	-	258,550
Central	14,801	-	-	-	14,801
Non-Instructional Services	317	-	-	-	317
Extracurricular Activities	65,704	68,965	-	-	134,669
Capital Outlay	-	-	-	29,000	29,000
Debt Service -					
Principal Retirement	10,046	-	40,000	-	50,046
Interest and Fiscal Charges	22,014	-	15,990	-	38,004
Total Expenditures	<u>3,664,614</u>	<u>231,186</u>	<u>55,990</u>	<u>197,565</u>	<u>4,149,355</u>
Excess of Revenues Over (Under) Expenditures	257,488	(66,359)	-	(101,041)	90,088
Fund Balances at Beginning of Year	<u>211,846</u>	<u>63,999</u>	<u>-</u>	<u>178,861</u>	<u>454,706</u>
Fund Balances at End of Year	<u>\$ 469,334</u>	<u>\$ (2,360)</u>	<u>\$ -</u>	<u>\$ 77,820</u>	<u>\$ 544,794</u>

The accompanying notes are an integral part of these financial statements.

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL - ALL GOVERNMENTAL FUND TYPES

For the Year Ended June 30, 1998

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>						
Property Taxes	\$ 833,934	\$ 966,736	\$ 132,802	\$ -	\$ -	\$ -
Income Taxes	202,048	234,008	31,960	-	-	-
Intergovernmental	2,404,041	2,585,001	180,960	133,275	62,279	(70,996)
Interest	21,000	47,117	26,117	-	-	-
Tuition and Fees	3,000	2,550	(450)	-	-	-
Extracurricular Activities	-	-	-	40,000	65,283	25,283
Gifts and Donations	-	370	370	1,750	175	(1,575)
Miscellaneous	8,975	47,073	38,098	-	-	-
Total Revenues	3,472,998	3,882,855	409,857	175,025	127,737	(47,288)
<u>Expenditures:</u>						
Current -						
Instruction -						
Regular	1,792,152	1,574,523	217,629	39,581	22,047	17,534
Special	263,530	275,527	(11,997)	104,000	122,696	(18,696)
Vocational	175,242	166,935	8,307	479	479	-
Other	-	26,411	(26,411)	368	-	368
Support Services -						
Pupils	91,798	99,771	(7,973)	4,577	2,438	2,139
Instructional Staff	134,657	140,296	(5,639)	-	11,128	(11,128)
Board of Education	19,607	16,040	3,567	-	-	-
Administration	422,074	418,920	3,154	4,700	-	4,700
Fiscal	126,083	124,340	1,743	-	-	-
Operation and Maintenance	432,918	373,151	59,767	-	-	-
Pupil Transportation	300,551	273,671	26,880	-	-	-
Central	46,000	14,801	31,199	-	-	-
Operation of Non-Instructional Servico	5,000	258	4,742	320	-	320
Extracurricular Activities	74,200	63,766	10,434	66,623	70,516	(3,893)
Capital Outlay	-	28,000	(28,000)	-	-	-
Debt Service -						
Principal Retirement	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	3,883,812	3,596,410	287,402	220,648	229,304	(8,656)

The accompanying notes are an integral part of these financial statements.  
(continued)

Debt Service Fund			Capital Projects Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 111,980	\$ 55,990	\$ (55,990)	\$ -	\$ -	\$ -	\$ 945,914	\$ 1,022,726	\$ 76,812
-	-	-	-	-	-	202,048	234,008	31,960
-	-	-	20,000	4,900	(15,100)	2,557,316	2,652,180	94,864
-	-	-	-	-	-	21,000	47,117	26,117
-	-	-	-	-	-	3,000	2,550	(450)
-	-	-	-	-	-	40,000	65,283	25,283
-	-	-	-	-	-	1,750	545	(1,205)
-	-	-	55,000	67,624	12,624	63,975	114,697	50,722
<u>111,980</u>	<u>55,990</u>	<u>(55,990)</u>	<u>75,000</u>	<u>72,524</u>	<u>(2,476)</u>	<u>3,835,003</u>	<u>4,139,106</u>	<u>304,103</u>
-	-	-	-	-	-	1,831,733	1,596,570	235,163
-	-	-	-	-	-	367,530	398,223	(30,693)
-	-	-	-	820	(820)	175,721	168,234	7,487
-	-	-	-	-	-	368	26,411	(26,043)
-	-	-	-	-	-	96,375	102,209	(5,834)
-	-	-	116,349	119,208	(2,859)	251,006	270,632	(19,626)
-	-	-	-	-	-	19,607	16,040	3,567
-	-	-	-	-	-	426,774	418,920	7,854
-	-	-	-	-	-	126,083	124,340	1,743
-	-	-	125,105	54,357	70,748	558,023	427,508	130,515
-	-	-	-	-	-	300,551	273,671	26,880
-	-	-	-	-	-	46,000	14,801	31,199
-	-	-	-	-	-	5,320	258	5,062
-	-	-	-	-	-	140,823	134,282	6,541
-	-	-	-	-	-	-	28,000	(28,000)
-	40,000	(40,000)	-	-	-	-	40,000	(40,000)
-	15,990	(15,990)	-	-	-	-	15,990	(15,990)
<u>-</u>	<u>55,990</u>	<u>(55,990)</u>	<u>241,454</u>	<u>174,385</u>	<u>67,069</u>	<u>4,345,914</u>	<u>4,056,089</u>	<u>289,825</u>

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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**COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BUDGETARY BASIS) AND ACTUAL - ALL GOVERNMENTAL FUND TYPES**

For the Year Ended June 30, 1998

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Excess of Revenues Over (Under) Expenditures: \$	(410,814)	\$ 286,445	\$ 697,259	\$ (45,623)	\$ (101,567)	\$ (55,944)
<u>Other Financing Sources(Uses):</u>						
Advances In	1,000	-	(1,000)	-	-	-
Advances Out	-	(10,000)	(10,000)	-	-	-
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(10,000)	-	10,000	-	-	-
Total Other Financing Sources (Uses)	<u>(9,000)</u>	<u>(10,000)</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(419,814)	276,445	696,259	(45,623)	(101,567)	(55,944)
Fund Balance at Beginning of Year	304,431	304,431	-	67,748	67,748	-
Prior Year Encumbrances Appropriated	<u>49,506</u>	<u>49,506</u>	<u>-</u>	<u>9,776</u>	<u>9,776</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ (65,877)</u>	<u>\$ 630,382</u>	<u>\$ 696,259</u>	<u>\$ 31,901</u>	<u>\$ (24,043)</u>	<u>\$ (55,944)</u>

The accompanying notes are an integral part of these financial statements.  
(continued)

Debt Service Fund			Capital Projects Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 111,980	\$ -	\$ (111,980)	\$ (166,454)	\$ (101,861)	\$ 64,593	\$ (510,911)	\$ 83,017	\$ 593,928
-	-	-	-	-	-	1,000	-	(1,000)
-	-	-	-	-	-	-	(10,000)	(10,000)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(10,000)	-	10,000
-	-	-	-	-	-	(9,000)	(10,000)	(1,000)
111,980	-	(111,980)	(166,454)	(101,861)	64,593	(519,911)	73,017	592,928
-	-	-	171,652	171,652	-	543,831	543,831	-
-	-	-	8,029	8,029	-	67,311	67,311	-
<u>\$ 111,980</u>	<u>\$ -</u>	<u>\$ (111,980)</u>	<u>\$ 13,227</u>	<u>\$ 77,820</u>	<u>\$ 64,593</u>	<u>\$ 91,231</u>	<u>\$ 684,159</u>	<u>\$ 592,928</u>

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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COMBINED STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND EQUITY - PROPRIETARY FUND TYPE

For the Year Ended June 30, 1998

	<u>Enterprise</u>
<u>Operating Revenues:</u>	
Sales	\$ <u>149,428</u>
<u>Operating Expenses:</u>	
Salaries	71,045
Fringe Benefits	34,328
Purchased Services	1,124
Materials and Supplies	8,698
Cost of Sales	116,546
Depreciation	<u>2,016</u>
Total Operating Expenses	<u>233,757</u>
Operating Loss	<u>(84,329)</u>
<u>Non-Operating Revenues (Expenses):</u>	
Federal Donated Commodities	18,381
Operating Grants	58,411
Interest and Fiscal Charges	<u>(267)</u>
Total Non-Operating Revenues	<u>76,525</u>
Net Income/(Loss)	(7,804)
Retained Earnings (Deficit) at Beginning of Year - Restated (Note C)	<u>13,273</u>
Retained Earnings (Deficit) at End of Year	\$ <u><u>5,469</u></u>

The accompanying notes are an integral part of these financial statements.



UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL - PROPRIETARY FUND TYPE

For the Year Ended June 30, 1998

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$ 126,000	\$ 148,857	\$ 22,857
Operating Grants	69,000	68,075	(925)
Total Revenues	195,000	216,932	21,932
<u>Expenses:</u>			
Salaries	65,000	66,831	(1,831)
Fringe Benefits	33,000	32,026	974
Purchased Services	5,000	1,124	3,876
Materials and Supplies	100,532	107,473	(6,941)
Capital Outlay	1,000	2,695	(1,695)
Total Expenses	204,532	210,149	(5,617)
Excess of Revenues Over (Under) Expenses	(9,532)	6,783	16,315
Advances In	-	10,000	10,000
Excess of Revenues Over (Under) Expenses and Advances	(9,532)	16,783	26,315
Fund Equity at Beginning of Year	1,355	1,355	-
Prior Year Encumbrances Appropriated	532	532	-
Fund Equity (Deficit) at End of Year	\$ (7,645)	\$ 18,670	\$ 26,315

The accompanying notes are an integral part of these financial statements.

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE

For the Year Ended June 30, 1998

	<u>Enterprise</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$ 148,857
Cash Payments to Suppliers for Goods and Services	(108,577)
Cash Payments to Employees for Services	(66,831)
Cash Payments for Fringe Benefits	(32,026)
Cash Payments for Other Operating Expenses	-
Net Cash Provided by (Used for) Operating Activities	(58,577)
<u>Cash Flows from Non-Capital Financing Activities:</u>	
Advances In	10,000
Cash Received from Operating Grants	68,075
Net Cash Provided by Non-Capital Financing Activities	78,075
<u>Cash Flows from Capital Financing Activities:</u>	
Principal Paid on Capital Lease	(772)
Interest Paid on Capital Lease	(267)
Net Cash Provided by (Used for) Capital Financing Activities	(1,039)
Net Increase in Cash and Cash Equivalents	18,459
Cash and Cash Equivalents at Beginning of Year	1,887
Cash and Cash Equivalents at End of Year	\$ 20,346

The accompanying notes are an integral part of these financial statements.  
(continued)

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE

For the Year Ended June 30, 1998

	<u>Enterprise</u>
<b>Cash Provided by (Used for) Operating Activities</b>	
Operating Income (Loss)	\$ (84,329)
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>	
Federal Donated Commodities	18,381
Depreciation	2,016
Changes in Assets and Liabilities -	
Increase in Accounts Receivable	(571)
Increase in Prepaid Items	(2,172)
Increase in Inventory Held for Resale	(298)
Decrease in Materials and Supplies Inventory	167
Decrease in Accounts Payable	(459)
Increase in Accrued Wages and Benefits	5,388
Increase in Compensated Absences	1,104
Increase in Intergovernmental Payable	<u>2,196</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (58,577)</u>

The accompanying notes are an integral part of these financial statements.  
(concluded)

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note A - Description of the School District and Reporting Entity

Description of the School

Upper Scioto Valley Local School District (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by state statute and/or federal guidelines.

The School District was established in 1929 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 95 square miles. It is located in Hardin County, and includes all of the Village of McGuffey, all of Marion and Roundhead Townships, and portions of McDonald, Cessna, and Lynn Townships. The School District is the 557th largest in the State of Ohio (among 612 school districts) in terms of enrollment. It is staffed by 33 non-certificated employees, 52 certificated full-time teaching personnel and 3 administrative employees who provide services to 812 students and other community members. The School District currently operates 3 instructional buildings.

Reporting Entity

The reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Upper Scioto Valley Local School District, this includes general operations, food service, preschool, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. There are no component units of the Upper Scioto Valley Local School District.

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note A - Description of the School District and Reporting Entity (continued)

Reporting Entity (continued)

The School District is associated with four jointly governed organizations, two insurance pools, and a related organization. These organizations include the West Central Ohio Special Education Regional Resource Center, Western Ohio Computer Organization, Ohio Hi-Point Joint Vocational School, the Hardin County Schools Consortium Local Professional Development Committee, the Ohio School Boards Association Workers' Compensation Group Rating Plan, the Hardin County School Employees' Health and Welfare Benefit Plan and Trust, and the Alger Public Library. These organizations are presented in notes R, S, and T to the general purpose financial statements.

Note B - Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Upper Scioto Valley 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 School District also applies Financial Accounting Standard Board (FASB) statements issued on or before November 30, 1989, to the proprietary funds provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

Basis of Presentation - Fund Accounting

The School District uses funds and account groups to report on 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 School 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 restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net available expendable resources.

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

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note B - Summary of Significant Accounting Policies (continued)

Governmental Fund Types

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

General Fund - The General Fund is the operating fund of the School 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 School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

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

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

Proprietary Fund Type

Proprietary funds are used to account for the School District's ongoing activities which are similar to those found in the private sector. The following is the School District's proprietary fund type:

Enterprise Funds - Enterprise funds are used to account for School District activities 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.

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note B - Summary of Significant Accounting Policies (continued)

Fiduciary Fund Type

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The School District's fiduciary fund consists of agency funds. 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 liabilities 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 School District, other than those accounted for in the proprietary or trust funds.

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

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 funds 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 and nonexpendable trust fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note B - Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

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 School District is sixty days after fiscal year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: tax-payer assessed income taxes, interest, tuition, grants, and student fees.

The School 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, 1998, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 1999 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 type. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.



UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note B - Summary of Significant Accounting Policies (continued)

Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations 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 primary level of budgetary control is at the object level within each function. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Advances in and Advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

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 Hardin County Budget Commission for rate determination.

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note B - Summary of Significant Accounting Policies (continued)

Budgetary Process (continued)

Estimated Resources

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School 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 School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 1998.

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 School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation, 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 appropriation resolutions 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.

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note B - Summary of Significant Accounting Policies (continued)

Budgetary Process (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. Expenditures plus encumbrances may not legally exceed appropriations. 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 fiscal 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.

Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled in a central bank account. Monies for all funds, including proprietary funds, are maintained in this account or temporarily used to purchase short term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the balance sheet. During fiscal year 1998, investments were limited to certificates of deposit and STAR Ohio. All investments of the School District had a maturity of two years or less. Investments are stated at cost or amortized cost. Investment earnings are allocated as authorized by State statute.

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

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note B - Summary of Significant Accounting Policies (continued)

Inventory

Inventories of proprietary funds are stated at the lower of cost or market. Cost is determined on a first-in, first-out basis. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 1998, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

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 Department of Education. During fiscal year 1998, the School District received a \$21,375 refund from the Bureau of Workers' Compensation which State statute required to be included in this reserve. This refund is presented as "Miscellaneous revenue" in the accompanying financial statements. A fund balance reserve has also been established.

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 fund. All fixed assets are capitalized at cost (or estimated historical costs) 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 School District maintains a capitalization threshold of five hundred dollars. The School District does not have any infrastructure.

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. Improvements are capitalized. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the enterprise funds is computed using the straight-line method over an estimated useful life of five to forty years.

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note B - Summary of Significant Accounting Policies (continued)

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 become measurable.

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

Entitlements:

General Fund

- State Foundation Program
- State Property Tax Relief
- School Bus Purchase Program

Non-Reimbursable Grants

Special Revenue Funds

- Education Management Information Systems
- Disadvantaged Pupil Impact Aid
- Professional Development Block Grant
- Chapter I
- Chapter II

Capital Projects Funds

- Vocational Education Equipment
- School Net
- Tech Equity

Reimbursable Grants

General Fund

- Driver Education

Proprietary Funds

- National School Lunch Program
- Government Donated Commodities

Grants and entitlements amounted to approximately 64 percent of the School District's governmental fund types during the 1998 fiscal year.

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note B - Summary of Significant Accounting Policies (continued)

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 School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

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 School 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 School District's termination policy. The School District records a liability for accumulated unused sick leave for classified employees after ten years of current service with the School District and for certified employees and administrators after ten years of service.

For governmental funds 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.

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. Payments made more than two months after fiscal year-end are considered not to have used current available financial resources. Capital leases and long-term loans are reported as a liability of the general long-term obligations account group until due.

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note B - Summary of Significant Accounting Policies (continued)

Accrued Liabilities and Long-Term Obligations (continued)

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

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. All other interfund transfers are reported as operating transfers.

Fund Balance Reserves

The School District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, property taxes and budget stabilization.

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 or results of operations 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.

Note C – Restatement of Prior Year Balances

During fiscal year 1998, the School District contracted with an appraisal company to revise the inventory of fixed assets. Based on the revised inventory and cost estimates, the amount recorded in the general fixed asset account group and the food service enterprise funds changed. The fixed assets recorded in the general fixed assets account group changed from \$3,658,560 as reported in the 1997 financial statements to \$3,696,966.

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note C – Restatement of Prior Year Balances – (continued)

The changes in fixed assets and accumulated depreciation in the food service enterprise fund increased as follows:

	Fixed Assets	Accumulated Depreciation	Book Value
As previously reported as of June 30, 1997	\$ 22,806	\$ 21,200	\$ 1,606
Restatement of Fixed Assets	53,488	38,835	14,653
As restated as of June 30, 1997	<u>\$ 76,294</u>	<u>\$ 60,035</u>	<u>\$ 16,259</u>

The changes in fixed assets increased retained earnings in the enterprise funds as of June 30, 1997, by \$14,653 from (\$1,380) to \$13,273. It is not practical to determine the effect of net income as of June 30, 1997.

Note D – Changes in Accounting Principals

For fiscal year 1998, the School District has implemented GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." This statement established accounting and reporting guidelines for government investments and investment pools. The implementation of GASB 31 did not have any effect on fund equity as is was previously reported as of June 30, 1997.

Note E - Accountability

Accountability

At June 30, 1998, the special revenue fund had deficit fund balance of \$2,360 which resulted from expenditures made in excess of available revenues. The General Fund is liable for any deficit in these funds and provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.



UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note F - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations, and changes in fund balances/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - All Governmental Fund Types and the Combined Statement of Revenues, Expenses and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual - Proprietary Fund Type are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund type (GAAP basis).

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note F - Budgetary Basis of Accounting (continued)

The following tables summarize 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  
All Governmental Fund Types and Expendable Trust Funds

	General	Special Revenue	Capital Projects
GAAP Basis	\$ 257,488	\$ (66,359)	\$ (101,041)
Increase (Decrease) Due to -			
Revenue Accruals	(37,005)	(36,595)	(24,000)
Expenditure Accruals	129,270	6,939	28,180
Prepaid Items	(21,506)	323	-
Unrecorded Cash at Year End	-	(420)	-
Advances-Out	(10,000)	-	-
Encumbrances Outstanding at Year End (Budget Basis)	(41,802)	(5,455)	(5,000)
Budget Basis	\$ 276,445	\$ (101,567)	\$ (101,861)

Net Income/Excess of Revenues Over (Under)  
Expenses, Transfers and Advances All Proprietary Fund Types

	Enterprise
GAAP Basis	\$ (7,804)
Increase (Decrease) Due to -	
Revenue Accrual	9,093
Expense Accrual	8,229
Prepaid Items	(2,172)
Materials and Supplies Inventory	167
Inventory Held for Resale	(298)
Depreciation Expense	2,016
Advances In	10,000
Payment of Capital Lease	(772)
Encumbrances Outstanding at Year End (Budget Basis)	(1,676)
Budget Basis	\$ 16,783

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note G - Deposits and Investments

The Treasurer is responsible for selecting depositories and investing funds. State statutes classify monies held by the School 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 School District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

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

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

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

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note G - Deposits and Investments (continued)

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest 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 City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At fiscal year end, the School District had \$3,299 in undeposited cash on hand which is included on the balance sheet of the School District as part of "equity in pooled cash and cash equivalents".

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reserve Repurchase Agreements".

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note G - Deposits and Investments (continued)

Deposits - At fiscal year end, the carrying amount of the School District's deposits was \$521,310 and the bank balance was \$689,246. Of the bank balance, \$190,022 was covered by federal depository insurance and the remaining amounts were uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department in the School District's name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements would potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

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

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. A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/ Deposits	Investments
GASB Statement 9	\$ 813,376	\$ -
Cash on Hand	(3,299)	-
Investments - STAR Ohio	(288,767)	288,767
GASB Statement 3	\$ 521,310	\$ 288,767

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note H - Property Taxes

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value.

Real property taxes are payable annually or semi-annually. If paid annually; payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

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

The School District receives property taxes from Hardin, Logan and Auglaize Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 1998, are available to finance fiscal year 1997 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 1998. 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 fiscal 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, 1998, was \$92,821 in the General Fund.

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note H - Property Taxes – (continued)

The assessed values upon which fiscal year 1998 taxes were collected are:

	1997 Second - Half Collections		1998 First - Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 31,643,890	86.00 %	\$ 32,547,980	86.54 %
Public Utility	4,422,290	12.02	4,404,690	11.71
Tangible Personal Property	727,613	1.98	659,650	1.75
Total Assessed Value	\$ 36,793,793	100.00 %	\$ 37,612,320	100.00 %
Tax Rate Per \$1,000 of Assessed Valuation	\$37.20		\$37.20	

Note I - Receivables

Receivables at June 30, 1998, consisted of property taxes, accounts (student fees and billings for user charged services) and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
Special Revenue Funds	
Title I	\$ 34,195
Title VI	2,868
Total Special Revenue Funds	37,063
Capital Projects Fund - Emergency Building Repair	24,000
Total Intergovernmental Receivables	\$ 61,063

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note J - Fixed Assets

A summary of the enterprise funds' fixed assets at June 30, 1998, follows:

Furniture and Equipment	\$ 76,295
Less Accumulated Depreciation	(62,051)
Net Fixed Assets	<u>\$ 14,244</u>

A summary of the changes in general fixed assets during fiscal year 1998, follows:

Asset Category	Balance at 6-30-97	Additions	Deletions	Balance at 6-30-98
Building and Improvements	\$ 2,338,495	\$ -	\$ -	\$ 2,338,495
Furniture, Fixtures and Equipment	1,047,492	148,040	-	1,195,532
Vehicles	310,979	35,700	30,225	316,454
Total General Fixed Assets	<u>\$ 3,696,966</u>	<u>\$ 183,740</u>	<u>\$ 30,225</u>	<u>\$ 3,850,481</u>

Note K - Risk Management

The School District is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 1998, the School District contracted with Indiana Insurance for property insurance, fleet insurance and liability insurance.

Coverages provided by Indiana Insurance are as follows:

	Deductible	Coverage
Blanket Building and Contents - replacement cost	\$ 500	\$ 14,979,048
Boiler and Machinery -Limit per accident	500	2,563,301
Musical Instruments	100	66,402
Automobile Liability	250	1,000,000
Theft and Disappearance	N/A	2,000
Commercial Umbrella		\$ 2,000,000
General Liability -		
Per occurrence		1,000,000
Total per year		5,000,000



UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note K - Risk Management – (continued)

Settled claims have not exceeded this commercial coverage in any of the past three years and there has been no significant reductions in coverages from the prior year.

For fiscal year 1998, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note S). The intent of the GRP is to achieve the benefit of a reduced premium for the School 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.

The School District participates in the Hardin County School Employees' Health and Welfare Benefit Plan and Trust (the Trust), a public entity shared risk pool consisting of six school districts and the Hardin County Educational Service Center. The School District pays monthly premiums to the Trust for employee life, accidental death and dismemberment, medical/surgical, dental and vision benefits. The Trust is responsible for the management and operations of the program. Upon withdraw from the Trust, a participant is responsible for the payment of all Trust liabilities to its employees, dependents and designated beneficiaries accruing as a result of the withdraw.

Note L - Defined Benefit Pension Plans

School Employees Retirement System

The Upper Scioto Valley Local School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement benefits and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note L - Defined Benefit Pension Plans – (continued)

School Employees Retirement System – (continued)

Plan members are required to contribute 9 percent of their annual covered salary and the Upper Scioto Valley Local School District is required to contribute 14 percent; 9.79 percent was the portion to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 1998, 1997, and 1996 were \$45,262, \$44,146, and \$43,280, respectively; 40.6 percent has been contributed for fiscal year 1998 and 100 percent for the fiscal years 1997 and 1996. \$26,890 representing the unpaid contribution for fiscal year 1998, is recorded as a liability within the respective funds and the general long-term obligations account group.

State Teachers Retirement System

The Upper Scioto Valley Local School 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 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the Upper Scioto Valley Local School District is required to contribute 14 percent; 10.5 percent was the portion used to fund pension obligations. Prior to July 1, 1997, the portion to fund pension obligations was 12 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 1998, 1997, and 1996 were \$192,665, \$218,604, and \$209,368, respectively; 81.1 percent has been contributed for fiscal year 1998 and 100 percent for the fiscal years 1997 and 1996. \$36,420 representing the unpaid contribution for fiscal year 1998, is recorded as a liability within the respective funds.

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note L - Defined Benefit Pension Plans – (continued)

Social Security System

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, 1998, two members of the Board of Education have elected social security. The Board's liability is 6.2 percent of wages paid.

Note M - Post Employment Benefits

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. Through June 30, 1997, the board allocated employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund. Beginning July 1, 1997, this allocation was increased to 3.5 percent. For the School District, this amount equaled \$64,221 during the 1998 fiscal year.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$1,860 million at June 30, 1997. For the year ended June 30, 1997, net health care costs paid by STRS were \$192,077,000 and STRS had 88,718 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal 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.

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note M - Post Employment Benefits (continued)

For this fiscal year, employer contributions to fund health care benefits were 4.21 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 1998, the minimum pay has been established at \$12,400. The surcharge, 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.

The target level for the health care reserve is 125 percent of annual health care expenses. Expense for health care at June 30, 1997, was \$97,429,197 and the target level was \$121.8 million. At June 30, 1997, SERS had net assets available for payment of health care benefits of \$146.4 million. SERS has approximately 48,200 participants currently receiving health care benefits. For the School District, the amount to fund health care benefits, including surcharge, equaled \$19,464 during the 1998 fiscal year.

Note N - Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 224 days for certified and 197 days for non-certified personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 56 days for certified and 49.25 days for non-certified employees.

The employees share the cost of the monthly premium with the Board. The premium varies with employee depending on the terms of the union contract.

Life and Dental Insurance

The School District provides life insurance, accidental death and dismemberment insurance, and dental insurance to most employees through CoreSource. The School District has elected to provide employee medical/surgical benefits through Blue Cross/Blue Shield. The employees share the cost of the monthly premium with the Board. The premium varies for employees depending on the terms of the union contract.

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note O – Capital Leases - Lessee Disclosure

The School District has entered into capitalized leases for equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the combined financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

General fixed assets consisting of equipment and a gym building have been capitalized in the general fixed assets account group and the enterprise funds in the amount of \$746,591 and \$2,562, respectively. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group and the enterprise funds. The carrying value of the enterprise leased asset is \$854. Principal payments in fiscal year 1998 totaled \$10,046 in the governmental funds and \$772 in the enterprise funds.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 1998.

Fiscal Year Ending June 30,	General Long Term Obligations <u>Account Group</u>	<u>Enterprise</u>
1999	\$ 37,748	\$ 832
2000	37,748	-
2001	34,000	-
2002	34,000	-
2003	34,000	-
2004 to 2040	<u>1,278,000</u>	<u>-</u>
Total	1,455,496	832
Less: Amount Representing Interest	<u>(735,004)</u>	<u>(60)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 720,492</u>	<u>\$ 772</u>

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note P - Long-Term Obligations

The changes in the School District's long-term obligations during fiscal year 1998 were as follows:

	Principal Outstanding 6-30-97	Additions	Reductions	Principal Outstanding 6-30-98
General Long-Term Obligations -				
1992, 6.15% Energy Conservation Loan	\$ 270,000	\$ -	\$ 40,000	\$ 230,000
Compensated Absences	266,077	-	-	266,077
Pension Obligation	37,922	36,226	37,922	36,226
Capital Leases	730,538	-	10,046	720,492
Total General Long-Term Obligations	1,304,537	36,226	87,968	1,252,795
Enterprise Fund Obligations -				
Compensated Absences	3,128	1,104	-	4,232
Capital Leases	772	-	772	-
Total Enterprise Fund Obligations	3,900	1,104	772	4,232
Total Long-Term Obligations	\$ 1,308,437	\$ 37,330	\$ 88,740	\$ 1,257,027

Energy Conservation Loan - In fiscal year 1992, Upper Scioto Valley Local School District issued \$435,000 in unvoted general obligation notes for the purpose of providing energy conservation measures for the School District, under the authority of Ohio Revised Code sections 133.06(G) and 3313.372. The notes were issued for a ten year period with final maturity during fiscal year 2003. The loan will be retired from the debt service fund.

Compensated absences and the intergovernmental payable will be paid from the fund from which the employees' salaries are paid. The change in compensated absences is presented net because it is not practical to determine the actual increase and decrease. Capital leases will be paid from the General Fund and the Lunchroom Enterprise Fund.

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note P - Long-Term Obligations (continued)

Principal and interest requirements to retire the energy conservation loan outstanding at June 30, 1998, are as follows:

<u>Fiscal Year</u> Ending <u>June 30,</u>	<u>Amount</u>
1999	\$58,530
2000	60,609
2001	57,534
2002	60,459
2003	<u>30,923</u>
Total	<u>\$ 268,065</u>

The School District's voted legal debt margin was \$1,128,370 with an unvoted debt margin of \$376,123 at June 30, 1998.

Note Q - Segment Information for Enterprise Funds

The School District maintains two enterprise funds to account for the operations of food service and uniform school supplies. The table below reflects the more significant financial data relating to the enterprise funds of Upper Scioto Valley Local School District as of and for the fiscal year ended June 30, 1998.

	Food Service	Uniform School Supplies	Total Enterprise Funds
Operating Revenues	\$ 124,065	\$ 25,363	\$ 149,428
Depreciation Expense	2,016	-	2,016
Operating Income (Loss)	(85,590)	1,261	(84,329)
Non-Operating Revenues (Expenses) -			
Donated Commodities	18,381	-	18,381
Operating Grants	58,411	-	58,411
Net Income(Loss)	(9,065)	1,261	(7,804)
Net Working Capital	(7,996)	3,453	(4,543)
Total Assets	35,599	13,453	49,052
Total Long-Term Liabilities	4,232	-	4,232
Total Equity	2,016	3,453	5,469
Encumbrances Outstanding at June 30, 1998	85	1,591	1,676

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note R - Jointly Governed Organizations

**Western Ohio Computer Organization** - The School District is a participant in the Western Ohio Computer Organization (WOCO). WOCO is an association of public school districts in within the boundaries of Auglaize, Champaign, Hardin, Logan, and Shelby Counties. 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 WOCO consist of two representatives from each county elected by majority vote of all charter member school districts within each county plus one representative from the fiscal agent. Financial information can be obtained from Larry Wilberding, who serves as director, at 129 E. Court Street, Sidney, Ohio 45365.

**Ohio Hi-Point Joint Vocational School** - Ohio Hi-Point Joint Vocational School (the "JVS") serves Auglaize, Champaign, Hardin, and Logan Counties. The JVS is a distinct political subdivision of the State of Ohio and is operated under the direction of a Board consisting of two representatives each from Champaign and Logan Counties, one representative each from Auglaize and Hardin Counties, one representative from each of the exempted village schools and one representative from each of the city schools. Each representative is a voting member of the Ohio Hi-Point Joint Vocational School Board of Education. Although the Upper Scioto Valley Local School District sends students to the JVS for training in various vocational areas, the Upper Scioto Valley Local School District is not involved in the budgeting or management, and is not responsible for any debt and has no influence over the organization. To obtain financial information, write to the Ohio Hi-Point Joint Vocational School, Eric Adelsberger, Treasurer, 2280 State Route 540, Bellefontaine, Ohio 43311.

**West Central Ohio Special Education Regional Resource Center** – The West Central Ohio Special Education Regional Resource Center (SERRC) is a special education service center which selects its own board, adopts its own budget and receives direct Federal and State grants for its operation. The jointly governed organization was formed for the purpose of initiating, expanding and improving special education programs and services for children with disabilities and their parents.

SERRC is governed by a governing board of 52 members made up of representatives from 50 superintendents of the participating districts, one non-public school, and one from Wright State University whose term rotates every year. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained by contacting Krista Hart, Treasurer, at the Hardin County Educational Service Center, 1 Court House Square, Suite 50, Kenton, Ohio 43326-2385.



UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note R - Jointly Governed Organizations – (continued)

**Hardin County Schools Consortium Local Professional Development**

**Committee** – The School District is a participant in the Hardin County Schools Consortium Local Professional Development Committee (the Consortium). The Consortium is an association of five school districts within Hardin county. The Consortium was formed for the purpose of providing educator training and professional development as it pertains to license renewal for the professional educator. The governing board of the Consortium consist of fifteen members, eight of which are teachers and seven of which are administrators. Appointment to the governing board is determined by various methods. Financial information can be obtained from the Hardin County Educational Service Center, who serves as fiscal agent, at One Courthouse Square, Suite 50, Kenton, Ohio 43326.

Note S - Insurance Purchasing Pools

**Hardin County School Employees' Health and Welfare Benefit and Trust** - The Hardin County Schools Health Benefit Fund and Trust (the Trust) is a public entity shared risk pool consisting of six school districts and the Hardin County Educational Service Center. The Trust is organized as a Voluntary Employee Benefit Association under Section 501(c)(9) of the Internal Revenue Code and provides sick, accident and other benefits to the employees of the participating school districts. Each participating school district's superintendent is appointed to an Administrative Committee which advises the Trustee, Ohio Bank, concerning aspects of the administration of the Trust.

Each school district decides which plans offered by the Administrative Committee will be extended to its employees. Participation in the Trust is by written application subject to acceptance by the Administrative Committee and payment of the monthly premiums. Financial information can be obtained from Rick Combs, who serves as director, at 220 East Columbus Street, P. O. Box 735, Kenton, Ohio 44326.

**Ohio School Boards Association Workers' Compensation Group Rating Plan -**

The School 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-Elect and the immediate Past President of the 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.

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note T - Related Organization

Alger Public Library

The Alger Public Library is a distinct political subdivision of the State of Ohio governed by a Board of Trustees. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel, and does not depend on the Upper Scioto Valley Local School District for operational subsidies. Although the Upper Scioto Valley Local School District does serve as the taxing authority for the library and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Alger Public Library, 100 West Wagner Street, Alger, Ohio 45812.

Note U - Contingent Liabilities

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 1998.

Litigation

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

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1998

Note V – School Funding

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 that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to this District. During the fiscal year ended June 30, 1998, the District received \$7,744,344 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly 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, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

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 School District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations.

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# ***E.S. Evans and Company***

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Robert E. Wendel, CPA • Dan F. Clifford, CPA • E.S. Evans, CPA, PFS (1930-1999)

August 22, 2001

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

Board of Education  
Upper Scioto Valley Local School District  
Hardin County, Ohio

and

Auditor of State of Ohio  
Columbus, Ohio

We were engaged to audit the general purpose financial statements of Upper Scioto Valley Local School District as of and for the year ended June 30, 1998, and have issued our report thereon dated August 22, 2001. We did not express an opinion on the financial statements because of many inadequacies and lack of documentation to support the financial records of the School District.

### Compliance

As part of obtaining reasonable assurance about whether Upper Scioto Valley Local School 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 instances of noncompliance that are required to be reported under Government Auditing Standards, which are described in the accompanying Schedule of Findings and Questioned Costs as items 98-01, 98-02, 98-03, 98-04, 98-05, 98-06, and 98-07.

We also noted certain immaterial instances of non-compliance, which we have reported to management of Upper Scioto Valley Local School District in a separate letter dated August 22, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Upper Scioto Valley Local School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Upper Scioto Valley Local School District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 98-08, 98-09, 98-10, 98-11, 98-12, 98-13, 98-14, 98-15, 98-16, and 98-17.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions, and accordingly would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider 98-08, 98-09, 98-10, 98-11, 98-14, 98-15, and 98-16 to be material weaknesses. We also noted other matters involving the internal control over financial reporting, which we have reported to management of Upper Scioto Valley Local School District in a separate letter dated August 22, 2001.

This report is intended for the information of the management, Board of Education, and Auditor of State of Ohio, and is not intended to be and should not be used by anyone other than these specified parties.



UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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SCHEDULE OF FINDINGS  
For the Fiscal Year Ended June 30, 1998

Finding Number	Finding Summary
98-01 Noncompliance	<p><u>Deposits of Public Money</u></p> <p>Ohio Revised Code Section 9.38 states that public money must be deposited with the Treasurer of the public office or to a designated depository within 24 hours of collection. We found many receipts were not being deposited within 24 hours.</p> <p>We recommend that all money received by deposited into the financial depository by the next business day. By depositing in a timely fashion allows for the School District to receive additional interest income on these funds, and it also decreases the risk of theft should money be held in an unsecure location.</p>
98-02 Noncompliance	<p><u>Spending Plan</u></p> <p>Ohio Revised Code Section 5705.391 requires the School Board to adopt as part of its annual appropriation measure a “spending plan”. A copy of each appropriation measure and related spending plan is to be submitted to the superintendent of public instruction.</p> <p>We found no evidence that the spending plan was submitted to the superintendent of public instruction. We recommend this be sent by certified mail to obtain a receipt, or if submitted electronically, a printed copy of the electronic file be retained.</p>
98-03 Noncompliance	<p><u>Transfer of Funds</u></p> <p>Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16 outline requirements regarding the transfer of funds. Except in the case of transfers from the general fund, transfers can be made only by resolution of the taxing authority passed with the affirmative vote of two thirds of the members.</p> <p>We found transfers that were made during the year that did not have Board documented approval. We recommend that all transfers be approved by the Board of Education and that this approval be specifically documented in the Board minutes.</p>

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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SCHEDULE OF FINDINGS  
For the Fiscal Year Ended June 30, 1998

Finding Number	Finding Summary
98-04 Noncompliance	<p><u>412 Certificates</u></p> <p>Ohio Revised Code Section 5705.412 places restrictions upon school district expenditures. No school district is supposed to adopt any appropriation, make any contract, give any order to expend money or increase salary schedules during any school year without attaching a "412" certificate. These certificates need to be signed by the Treasurer, Board President, and the Superintendent. The Treasurer is also required to file a copy of all 412 certificates with the County Auditor.</p> <p>We found no evidence that any 412 certificates were issued or filed with the County Auditor. These certificates provide that the school district has in effect for the remainder of the fiscal year and the succeeding fiscal year the authorization to levy taxes which, when combined with estimated revenue from all other sources available at the time of the certification, are sufficient to provide the operating revenues necessary to enable the district to operate an adequate educational program for all days in the current and succeeding fiscal years. We recommend that these certificates be properly issued and filed with the appropriate authorities.</p>
98-05 Noncompliance	<p><u>Amended Certificates</u></p> <p>Ohio Revised Code Section 5705.36 allows all local governments to request increased amended certificates of estimated resources, and allows school districts to request reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources.</p> <p>We could not locate the original certificate of available revenues for the year. We were provided one amended certificate but these figures were not the final numbers on the school's budget system.</p>



UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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SCHEDULE OF FINDINGS  
For the Fiscal Year Ended June 30, 1998

Finding Number	Finding Summary
98-06 Noncompliance	<p><u>Appropriations limited by estimated resources</u></p> <p>Ohio Revised Code Section 5705.39 states that the total appropriation from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.</p> <p>We could not determine if the school district is in compliance with ORC 5705.39 as we have no official evidence of appropriations. In addition, no County Auditor certificates were located. We found in the Board Minutes where temporary appropriations and permanent appropriations were passed but no copies of these were made available to us during our audit.</p>
98-07 Noncompliance	<p><u>Expenditures limited by appropriations</u></p> <p>Ohio Revised Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. We could not determine if total expenditures and contract commitments from each fund were within the appropriations as we have no evidence of the final appropriation figures.</p>

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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SCHEDULE OF FINDINGS  
For the Fiscal Year Ended June 30, 1998

Finding Number	Finding Summary
98-08 Reportable Condition	<p><u>Cash Disbursements/Purchase Orders</u></p> <p>In a sample of cash disbursements selected on a random basis for review, we found some disbursements exceeded the purchase order amount. In some instances, the amount involved was under \$1,000. These purchases could easily be approved by affixing the then and now certification allowed under ORC 5705.41(D). We also found a purchase orders not signed by the Treasurer and some not signed by the purchasing agent.</p> <p>We recommend all purchases be properly authorized and those exceeding the purchase order amount by less than \$1,000 be certified under the then and now certificate to avoid spending funds that are not lawfully appropriated.</p> <p>During our audit we noted several hand-typed checks. These hand-typed checks were mis-coded into the system and did not appear on the check register reports along with the computer generated checks. In addition we found a check hand written for "thirty three thousand six dollars", but check actually for \$3306.83 which it cleared the bank for. We recommend the School District eliminate all hand-typed and handwritten checks and generate all checks through the computer system.</p>
98-09 Reportable Condition	<p><u>Pledged Collateral</u></p> <p>The School Treasurer must require all depositories to provide as security an amount equal to the funds on deposit at all times. Such security may consist of federal deposit insurance, surety company bonds or pledged securities. These securities should be reported to the Treasurer no more than 4 times per year by the public depository. The securities pledged were not made available to us during our audit. The lack of any legal security could potentially jeopardize the funds on deposit by the School District.</p>

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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SCHEDULE OF FINDINGS  
For the Fiscal Year Ended June 30, 1998

Finding Number	Finding Summary
98-10 Reportable Condition	<p><u>Separation of Duties</u></p> <p>The School District's Treasurers office staff is small, which makes it difficult to maintain a good system of internal controls. For example, the Treasurer's duties include preparing all checks, preparing receipts, handling cash, posting entries to the general ledger, approving vouchers, signing checks, reconciling bank statements, controlling blank checks, receipting in goods, and preparing financial statements. The Treasurer does not always perform all these duties, as some may be done by her assistant. However, she does have the ability and access to each function.</p> <p>To improve controls, we recommend that some duties be separated within the existing staff, such as bank reconciliations, preparing deposits, and posting to the general ledger. Some functions could be reviewed and documented by others. These may include reconciliation of daily cash, monthly bank reconciliations, financial statements, and voucher preparation.</p> <p>We would recommend that each person in the Treasurer's and Superintendent's office have a written job description which includes a focus on internal controls.</p>
98-11 Reportable Condition	<p><u>Cash Receipts</u></p> <p>In reviewing the internal control system for cash receipts, we noted various weaknesses which included the following: the Treasurer's office posts the cash receipts at the end of each month. In matching receipts to deposit tickets, no cross-referencing is performed. It is difficult to determine which deposits cover which receipts. In addition, the Treasurer handles cash, writes receipts, posts receipts to the general ledger, takes deposits to the bank, as well as reconciles the bank accounts.</p> <p>In addition, we found deposits not recorded in the receipt books, as well as receipts in which there was not corresponding deposit ticket. Some receipts written were for deposits that were not posted until months later. Also, receipts/memo checks were found posted for different amounts than what the receipt was written for.</p>

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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SCHEDULE OF FINDINGS  
For the Fiscal Year Ended June 30, 1998

Finding Number	Finding Summary
98-11 Reportable Condition – (continued)	<p><u>Cash Receipts</u> – (continued)</p> <p>We recommend the cash receipts process be refined in order to segregate some of the duties, as well as to implement controls to ensure timely and accurate posting of receipts.</p>
98-12 Reportable Condition	<p><u>Payroll Items</u></p> <p><u>Form 941's/Tax Deposits</u> We could not reconcile the W-2's to the quarterly Form 941's. The quarterly 941's were not provided to us during the audit. An IRS printout was obtained regarding these filings, but these only show tax liability not wage figures. The IRS printouts did provide evidence of the quarterly 941's being files late, along with many late tax deposits. This could potentially subject the school district to fines and penalties.</p> <p>We also obtained a notice from SERS regarding late payment of employee contributions for December 1997.</p> <p><u>Form I-9's</u> A Form I-9 is required to be completed for any employee hired after November 6, 1986. This form is used to verify employee eligibility and requires two sources of identification from the provided list, as well as the signature and other miscellaneous data by the person verifying the employee's identification. We found that most of the required Form I-9's were incomplete or not in the personnel files.</p> <p>We recommend that all Form I-9's be properly completed in order to avoid possible fines and penalties by the Federal Government.</p>
98-13 Reportable Condition	<p><u>Athletic Checking Account</u></p> <p>The athletic checking account balance is not included on the school's cash schedule. Instead, a \$1,200.00 athletic change fund is reported. The actual bank balance and any outstanding checks and/or deposits should be listed to properly reflect an accurate cash balance. Also not reconciled or balanced during FY 98.</p>

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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SCHEDULE OF FINDINGS  
For the Fiscal Year Ended June 30, 1998

Finding Number	Finding Summary
98-14 Reportable Condition	<p><u>Postings</u></p> <p>We found many deposits not posted to the financial system. In addition, we found payments not posted correctly, some foundation deductions posted at net, and others not posted at all. Many misclassifications were found such as equipment being posted to instructional accounts. Large variances were also found in trying to balance the REVSUM report to the revenues per the 4502 cash basis financial statement.</p> <p>We recommend the school district put systems into place to ensure all revenues and expenditures are recorded into the financial system of the school district.</p>
98-15 Reportable Condition	<p><u>Cash</u></p> <p>During fiscal year 1998, none of the school district's bank accounts were reconciled to the financial system. Not doing this on a monthly basis caused the year-end financial (4502) to be materially misstated.</p> <p>We recommend that all bank accounts be reconciled on a monthly basis, and that these reconciliations be reviewed and agreed to the financial statements by someone independent of handling financial transactions, such as the Superintendent.</p>
98-16 Reportable Condition	<p><u>State/Federal Grants</u></p> <p>In reviewing some of the School District's grants, many were found on which the final expenditure reports and carryover budgets were not filed or filed late. Many of these grants did not have funds drawn down on a timely basis and thus were reflecting a negative(deficit) on the financials of the district.</p> <p>We recommend that separate files be kept for each grant, along with a checklist containing reporting due dates and fund draws to ensure proper handling of these grants. Not properly handling these grants could lead to a potential loss of funding to the District.</p>

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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SCHEDULE OF FINDINGS  
For the Fiscal Year Ended June 30, 1998

Finding Number	Finding Summary
98-17 Reportable Condition	<u>Food Service</u>  The applications for free and reduced school lunches, along with the daily elementary lunch worksheets to support the revenues were not made available to us for testing during our audit. We recommend all documentation be retained and made available for review in future audits

UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

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SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Fiscal Year Ended June 30, 1998

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected: Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
97-01	Deposits of Public Money	No	Condition still exists – see finding 98-01.
97-02	Spending Plan	No	Condition still exists – see finding 98-02.
97-03	Transfer of Funds	No	Condition still exists – see finding 98-03.
97-04	412 Certificates	No	Condition still exists – see finding 98-04.
97-05	Certification of Available Revenue	Yes	No Comment in Current Year
97-06	Amended Certificates	No	Condition still exists – see finding 98-05.
97-07	Appropriations Limited by Estimated Resources	No	Condition still exists – see finding 98-06.
97-08	Amending Appropriations	Yes	No amendments passed for FY'98
97-09	Expenditures limited by appropriations	No	Condition still exists – see finding 98-07.
97-10	Cash Disbursements/ Purchase Orders	No	Condition still exists – see finding 98-08.
97-11	Pledged Collateral	No	Condition still exists – see finding 98-09.
97-12	Separation of Duties	No	Condition still exists – see finding 98-10.
97-13	Cash Receipts	No	Condition still exists – see finding 98-11.
97-14	Payroll Items	No	Condition still exists – see finding 98-12.







STATE OF OHIO  
OFFICE OF THE AUDITOR

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**UPPER SCIOTO VALLEY LOCAL SCHOOL DISTRICT**

**HARDIN 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  
OCTOBER 16, 2001**