



**SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY**

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

743 East State Street
Athens Mall, Suite B
Athens, Ohio 45701

Telephone 740-594-3300
800-441-1389

Facsimile 740-594-2110

REPORT OF INDEPENDENT ACCOUNTANTS

Symmes Valley Local School District
Lawrence County
14778 State Route 141
Willow Wood, Ohio 45696

To the Board of Education:

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

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Symmes Valley Local School District, Lawrence County, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2001 on our consideration of the 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.

Jim Petro
Auditor of State

January 18, 2001

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**SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY, OHIO**

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2000**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits:				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$4,047,846	\$189,049	\$123,932	\$373,701
Receivables:				
Property Taxes	588,813	14,368	160,937	0
Intergovernmental	6,769	65,976	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	19,740	0	0	0
Prepaid Items	17,574	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	419,847	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
Other Debits:				
Amount Available in Debt Service Fund	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	\$5,100,589	\$269,393	\$284,869	\$373,701

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Agency			
\$165,770	\$64,418	\$0	\$0	\$4,964,716
0	0	0	0	764,118
0	0	0	0	72,745
1,803	0	0	0	1,803
203	0	0	0	19,943
0	0	0	0	17,574
0	0	0	0	419,847
105,114	0	13,207,399	0	13,312,513
0	0	0	126,745	126,745
0	0	0	1,665,203	1,665,203
\$272,890	\$64,418	\$13,207,399	\$1,791,948	\$21,365,207

(Continued)

**SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY, OHIO**

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2000
(Continued)**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities, Fund Equity and Other Credits:				
Liabilities:				
Accounts Payable	\$46,161	\$1,160	\$0	\$0
Accrued Wages and Benefits Payable	371,154	74,371	0	0
Compensated Absences Payable	2,313	10,229	0	0
Intergovernmental Payable	150,309	19,974	0	0
Deferred Revenue	578,630	14,117	158,124	0
Due to Students	0	0	0	0
Matured Interest Payable	0	0	0	0
Notes Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
	1,148,567	119,851	158,124	0
Fund Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved (Deficit)	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	133,718	20,441	0	8,000
Reserved for Inventory	19,740	0	0	0
Reserved for Property Taxes	10,183	251	2,813	0
Reserved for Budget Stabilization	189,753	0	0	0
Reserved for Capital Acquisition	52,088	0	0	0
Reserved for Textbooks	82,215	0	0	0
Reserved for Bus Purchases	95,791	0	0	0
Unreserved, Undesignated	3,368,534	128,850	123,932	365,701
	3,952,022	149,542	126,745	373,701
Total Liabilities, Fund Equity and Other Credits	\$5,100,589	\$269,393	\$284,869	\$373,701

The notes the general purpose financial statements are an integral part of this statement.

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Agency			
\$0	\$0	\$0	\$0	\$47,321
11,382	0	0	0	456,907
9,013	0	0	378,808	400,363
2,168	0	0	41,032	213,483
1,158	0	0	0	752,029
0	64,418	0	0	64,418
0	0	0	0	0
0	0	0	138,208	138,208
0	0	0	1,233,900	1,233,900
<u>23,721</u>	<u>64,418</u>	<u>0</u>	<u>1,791,948</u>	<u>3,306,629</u>
0	0	13,207,399	0	13,207,399
207,087	0	0	0	207,087
42,082	0	0	0	42,082
0	0	0	0	162,159
0	0	0	0	19,740
0	0	0	0	13,247
0	0	0	0	189,753
0	0	0	0	52,088
0	0	0	0	82,215
0	0	0	0	95,791
0	0	0	0	3,987,017
<u>249,169</u>	<u>0</u>	<u>13,207,399</u>	<u>0</u>	<u>18,058,578</u>
<u>\$272,890</u>	<u>\$64,418</u>	<u>\$13,207,399</u>	<u>\$1,791,948</u>	<u>\$21,365,207</u>

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SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Revenues:					
Property Taxes	\$519,325	\$12,324	\$139,627	\$0	\$671,276
Intergovernmental	4,563,737	744,962	20,740	52,847	5,382,286
Interest	218,312	0	0	13,687	231,999
Tuition and Fees	856	0	0	0	856
Extracurricular Activities	3,679	66,421	0	0	70,100
Donations	0	8,753	0	0	8,753
Miscellaneous	46,004	2,552	0	0	48,556
Total Revenues	5,351,913	835,012	160,367	66,534	6,413,826
Expenditures:					
Current:					
Instruction					
Regular	2,063,063	199,956	0	15,991	2,279,010
Special	285,311	343,460	0	0	628,771
Vocational	104,808	0	0	0	104,808
Adult/Continuing	0	140	0	0	140
Support Services					
Pupils	138,696	25,390	0	0	164,086
Instructional Staff	76,119	59,624	0	0	135,743
Board of Education	139,926	1,022	0	0	140,948
Administration	316,287	55,643	0	0	371,930
Fiscal	202,913	18	164	0	203,095
Operation and Maintenance of Plant	519,191	0	0	0	519,191
Pupil Transportation	609,014	0	0	0	609,014
Central	5,762	0	0	0	5,762
Extracurricular Activities	94,804	36,906	0	0	131,710
Capital Outlay	4,592	0	0	181,257	185,849
Debt Service					
Principal Retirement	0	0	93,792	0	93,792
Interest and Fiscal Charges	0	0	54,778	0	54,778
Total Expenditures	4,560,486	722,159	148,734	197,248	5,628,627
Excess of Revenues Over (Under) Expenditures	791,427	112,853	11,633	(130,714)	785,199
Other Financing Sources (Uses):					
Operating Transfers In	0	2,139	12,283	7,169	21,591
Proceeds From Sale of Long-term Notes	0	0	0	147,000	147,000
Proceeds From Sale of Fixed Assets	0	0	0	38,000	38,000
Operating Transfers Out	(21,591)	0	0	0	(21,591)
Total Other Financing Sources (Uses)	(21,591)	2,139	12,283	192,169	185,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	769,836	114,992	23,916	61,455	970,199
Fund Balances at Beginning of Year	3,176,328	34,550	102,829	312,246	3,625,953
Increase in Reserve for Inventory	5,858	0	0	0	5,858
Fund Balances at End of Year	\$3,952,022	\$149,542	\$126,745	\$373,701	\$4,602,010

The notes the general purpose financial statements are an integral part of this statement.

SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BLANCES - BUDGET AND ACTUAL (BUDGET BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Property Taxes	\$573,469	\$553,593	(\$19,876)	\$13,183	\$13,183	\$0
Intergovernmental	4,724,981	4,562,116	(162,865)	678,986	678,986	0
Interest	227,602	218,296	(9,306)	0	0	0
Tuition and Fees	1,116	856	(260)	0	0	0
Extracurricular Activities	3,905	3,679	(226)	66,421	66,421	0
Donations	0	0	0	8,753	8,753	0
Miscellaneous	47,417	46,004	(1,413)	2,552	2,552	0
Total Revenues	5,578,490	5,384,544	(193,946)	769,895	769,895	0
Expenditures:						
Current:						
Instruction						
Regular	2,142,613	2,056,732	85,881	236,613	236,613	0
Special	294,639	282,689	11,950	354,287	354,287	0
Vocational	111,329	106,650	4,679	0	0	0
Support Services						
Pupils	137,242	131,846	5,396	25,282	25,282	0
Instructional Staff	84,457	81,193	3,264	59,184	59,184	0
Board of Education	79,179	75,999	3,180	1,022	1,022	0
Administration	334,469	320,857	13,612	56,090	56,090	0
Fiscal	217,381	208,559	8,822	18	18	0
Operation and Maintenance of Plant	547,050	525,155	21,895	0	0	0
Pupil Transportation	718,363	689,518	28,845	0	0	0
Central	5,279	5,000	279	0	0	0
Extracurricular Activities	99,333	95,534	3,799	38,468	38,468	0
Capital Outlay	4,799	4,592	207	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
Total Expenditures	4,776,133	4,584,324	191,809	770,964	770,964	0
Excess of Revenues Over (Under) Expenditures	802,357	800,220	(2,137)	(1,069)	(1,069)	0
Other Financing Sources (Uses):						
Operating Transfers In	0	0	0	2,139	2,139	0
Proceeds from the Sale of Long Term Notes	0	0	0	0	0	0
Proceeds from Sale of Fixed Assets	0	0	0	0	0	0
Operating Transfers Out	(22,554)	(21,591)	963	0	0	0
Total Other Financing Sources (Uses)	(22,554)	(21,591)	963	2,139	2,139	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	779,803	778,629	(1,174)	1,070	1,070	0
Fund Balances at Beginning of Year	3,417,057	3,417,057	0	132,963	132,963	0
Prior Year Encumbrances Appropriated	104,585	104,585	0	33,417	33,417	0
Fund Balances at End of Year	\$4,301,445	\$4,300,271	(\$1,174)	\$167,450	\$167,450	\$0

(Continued)

The notes the general purpose financial statements are an integral part of this statement.

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)
\$149,250	\$149,250	\$0	\$0	\$0	\$0	\$735,902	\$716,026	(\$19,876)
20,740	20,740	0	52,847	52,847	0	5,477,554	5,314,689	(162,865)
0	0	0	13,722	13,687	(35)	241,324	231,983	(9,341)
0	0	0	0	0	0	1,116	856	(260)
0	0	0	0	0	0	70,326	70,100	(226)
0	0	0	0	0	0	8,753	8,753	0
0	0	0	0	0	0	49,969	48,556	(1,413)
169,990	169,990	0	66,569	66,534	(35)	6,584,944	6,390,963	(193,981)
0	0	0	15,991	15,991	0	2,395,217	2,309,336	85,881
0	0	0	0	0	0	648,926	636,976	11,950
0	0	0	0	0	0	111,329	106,650	4,679
0	0	0	0	0	0	162,524	157,128	5,396
0	0	0	0	0	0	143,641	140,377	3,264
0	0	0	0	0	0	80,201	77,021	3,180
0	0	0	8,000	8,000	0	398,559	384,947	13,612
164	164	0	0	0	0	217,563	208,741	8,822
0	0	0	0	0	0	547,050	525,155	21,895
0	0	0	0	0	0	718,363	689,518	28,845
0	0	0	0	0	0	5,279	5,000	279
0	0	0	0	0	0	137,801	134,002	3,799
0	0	0	181,257	181,257	0	186,056	185,849	207
93,792	93,792	0	0	0	0	93,792	93,792	0
54,778	54,778	0	0	0	0	54,778	54,778	0
148,734	148,734	0	205,248	205,248	0	5,901,079	5,709,270	191,809
21,256	21,256	0	(138,679)	(138,714)	(35)	683,865	681,693	(2,172)
12,283	12,283	0	7,169	7,169	0	21,591	21,591	0
0	0	0	147,000	147,000	0	147,000	147,000	0
0	0	0	38,000	38,000	0	38,000	38,000	0
0	0	0	0	0	0	(22,554)	(21,591)	963
12,283	12,283	0	192,169	192,169	0	184,037	185,000	963
33,539	33,539	0	53,490	53,455	(35)	867,902	866,693	(1,209)
90,393	90,393	0	311,305	311,305	0	3,951,718	3,951,718	0
0	0	0	940	940	0	138,942	138,942	0
\$123,932	\$123,932	\$0	\$365,735	\$365,700	(\$35)	\$4,958,562	\$4,957,353	(\$1,209)

**SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY, OHIO**

**STATEMENT OF REVENUES
EXPENSES AND CHANGES IN FUND EQUITY
PROPRIETARY FUND TYPE
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Enterprise
Operating Revenues:	
Sales	\$57,760
Total Operating Revenues	57,760
Operating Expenses:	
Salaries	72,712
Fringe Benefits	14,297
Purchased Services	2,820
Materials and Supplies	13,870
Cost of Sales	122,571
Depreciation	10,429
Total Operating Expenses	236,699
Operating Loss	(178,939)
Non-Operating Revenues:	
Federal Donated Commodities	21,935
Interest	4,455
Federal and State Subsidies	194,421
Total Non-Operating Revenues	220,811
Net Income	41,872
Retained Earnings at Beginning of Year	210
Retained Earnings Deficit at End of Year	42,082
Contributed Capital at Beginning of Year	207,087
Contributed Capital at End of Year	207,087
Total Fund Equity at End of Year	\$249,169

The notes the general purpose financial statements are an integral part of this statement.

**SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY, OHIO**

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL (BUDGET BASIS)
PROPRIETARY FUND TYPE
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Sales	\$57,760	\$57,760	\$0
Total Revenues	<u>57,760</u>	<u>57,760</u>	<u>0</u>
Expenses:			
Salaries	72,554	72,554	0
Fringe Benefits	14,850	14,850	0
Purchased Services	2,820	2,820	0
Materials and Supplies	114,589	114,589	0
Capital Outlay	16,890	16,890	0
Total Operating Expenses	<u>221,703</u>	<u>221,703</u>	<u>0</u>
Excess of Revenues Under Expenses	(163,943)	(163,943)	0
Non-Operating Revenues and Expenses			
Interest	4,455	4,455	0
Federal and State Subsidies	194,421	194,421	0
Total Non-Operating Revenues and Expenses	<u>198,876</u>	<u>198,876</u>	<u>0</u>
Excess of Revenues Over (Under) Expenses	34,933	34,933	0
Fund Equity at Beginning of Year	112,110	112,110	0
Prior Year Encumbrances Appropriated	<u>18,524</u>	<u>18,524</u>	<u>0</u>
Fund Equity at End of Year	<u>\$165,567</u>	<u>\$165,567</u>	<u>\$0</u>

The notes the general purpose financial statements are an integral part of this statement.

**SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY, OHIO**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	<u>Enterprise</u>
Increase (Decrease) in Cash and Cash Equivalents:	
Cash Flows from Operating Activities:	
Cash Received from Customers	\$57,760
Cash Payments to Suppliers for Goods and Services	(117,207)
Cash Payments for Employee Services and Benefits	<u>(87,404)</u>
Net Cash Used for Operating Activities	<u>(146,851)</u>
Cash Flows from Noncapital Financing Activities:	
Operating Grants Received	<u>194,421</u>
Net Cash Provided by Noncapital Financing Activities	<u>194,421</u>
Cash Flows from Capital and Related Financing Activities:	
Payments for Capital Acquisitions	<u>(16,890)</u>
Cash Flows from Investing Activities:	
Interest on Investments	<u>4,455</u>
Net Increase in Cash and Cash Equivalents	35,135
Cash and Cash Equivalents at Beginning of Year	<u>130,635</u>
Cash and Cash Equivalents at End of Year	<u><u>\$165,770</u></u>
	(Continued)

**SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY, OHIO**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

	Totals (Memorandum Only)
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	(\$178,939)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	10,429
Donated Commodities Used During Year	21,935
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	0
Decrease in Inventory Held for Resale	167
Increase in Materials and Supplies Inventory	(48)
Decrease in Accrued Wages and Benefits Payable	372
Increase in Compensated Absences Payable	(134)
Increase in Intergovernmental Payable	(633)
Total Adjustments	<u>32,088</u>
Net Cash Used for Operating Activities	<u><u>(\$146,851)</u></u>

The notes the general purpose financial statements are an integral part of this statement.

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SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

The School District operates under a locally elected Board of Education (five members) and is responsible for the education of the residents of the School District. The Board controls the School District's two instructional support facilities staffed by 35 non-certificated and 63 teaching personnel and 10 administrative employees providing education to approximately 950 students.

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 Symmes Valley Local School District, this includes general operations, food service 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. The School District does not have any component units.

The School District is associated with two organizations which are defined as jointly governed organizations. These organizations include the South Central Ohio Computer Association (SCOCA) and the Lawrence County Joint Vocational School. These organizations are presented in Note 14 of the combined financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Symmes 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 accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards 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.

A. 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 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 expendable available resources.

SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation – Fund Accounting (continued)

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 governmental, proprietary and fiduciary.

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 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 of 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 debt principal, interest, and related costs.

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

Fiduciary Fund Type:

Fiduciary funds are used to account for assets held by the School District in a trust capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 fund.

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 fund.

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types 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 (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts 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 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 year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings, tuition, student fees and grants and entitlements.

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2000 and delinquent property taxes, whose availability is interminable and which are intended to finance fiscal year 2000 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. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year, and the costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting (continued)

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. There were no unbilled service charges receivable at year end. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

C. Budgetary Process

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

Estimated Resources:

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to 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 2000.

SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Budgetary Process (continued)

Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed valued 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 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 does not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted.

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, including the Debt Service Fund, consistent with statutory provisions.

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

D. Cash and Investments

To improve cash management, cash received by the School District is pooled. Monies for all funds except the permanent improvement fund and lunchroom fund, are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the combined balance sheet.

During fiscal year 2000, investments were limited to STAROhio.

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

SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2000 amounted to \$218,296 which includes \$17,660 assigned from other school district funds. Interest revenue credited to the permanent improvement fund and the lunchroom fund was \$13,687 and \$4,455, respectively.

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 a maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. As of June 30, 2000 the School District had investments in STAROhio.

E. Inventory

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items are recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net assets. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expended when used.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2000 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure in the year in which services are consumed.

G. 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 related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of three hundred dollars.

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 and depreciated over the remaining useful lives of the related fixed assets, as applicable. Infrastructure is valued at cost.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the proprietary fund type is computed using the straight-line method over an estimated useful life of ten to twenty years.

H. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis and entitlements, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when 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.

SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Intergovernmental Revenues (continued)

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

Entitlements

General Fund

State Foundation Program
State Property Tax Relief
Bus Purchase Allowance
Equity Funds

Special Revenue Funds

DPIA
Title I
EMIS
Title VI-B
Professional Development
Title VI
Goals 2000
Title VI-R

Nonreimbursable Grants

Capital Projects Funds

Technology Equity
School Net Plus
School Net
Emergency Repair

Reimbursable Grants

General Fund

Drivers Education

Proprietary Funds

National School Breakfast
National School Lunch
Government Donated Commodities

Grants and entitlements amounted to approximately 83% of the Governmental Fund Revenue during the 2000 fiscal year.

I. 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 employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the 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.

For governmental funds, the School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. The School District records a liability for accumulated unused sick leave for all employees after ten years of service. The current portion of unpaid 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 obligation account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. 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, claims and judgments, compensated absences, pension obligations, and special termination benefits 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.

Bonds, capital leases, and long-term loans are reported as a liability of the general long-term obligations account group until due. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

Under Ohio law, a debt service retirement fund must be created and used for the payment of all debt principal and interest. Generally accepted accounting principles require the allocation of the debt liability among the capital projects and enterprise funds, and the general long-term obligations account group, with principal and interest payments on matured general obligation long-term debt being reported in the debt service fund. To comply with GAAP reporting requirements, the School District's debt service retirement fund has been split among the appropriate funds and account group. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

K. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

L. 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 spendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for property taxes, budget stabilization, encumbrances and inventories of supplies and materials, textbook purchases, capital acquisition and school bus purchases.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures.

M. Contributed Capital

Contributed capital represents resources from other funds, other governments, and private sources provided to proprietary funds that is not subject to repayment. These assets are recorded at their fair market value on the date donated. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end. Because the School District did not prepare financial statements in accordance with generally accepted accounting principles prior to fiscal year 1994, the exact amount of contributed capital cannot be determined. Consequently, only those amounts that have been specifically identified have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to proprietary funds have been classified as retained earnings.

SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Total Columns on General Purpose Financial Statements

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

O. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include unexpended revenues restricted for the purchase of buses, amounts required by statute to be set-aside by the School District for the purchase of textbooks, for the acquisition or construction of capital assets and to create a reserve for budget stabilization. See Note 17 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

P. Estimates

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

NOTE 3 – ACCOUNTABILITY

Deficit Fund Balance/Retained Earnings

The following funds had deficit fund balances/retained earnings at June 30, 2000:

DPIA	\$(38,834)
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The deficits in the DPIA fund was created by the application of generally accepted accounting principles. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above 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 and Actual (Budget Basis), All Governmental Fund Types and the Statement of Revenues, Expenses and Changes in Fund Equity – Budget and Actual (Budget Basis), 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 disclosures in the proprietary fund types (GAAP basis).

SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING (continued)

4. Proceeds from the principal payments on bond and revenue anticipation notes are reported on the operating statement (budget basis) rather than on balance sheet transactions (GAAP basis).

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

	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	769,836	114,992	23,916	61,455
Net Adj. For Revenue Accruals	32,631	(65,117)	9,623	-0-
Net Adj. For Expenditure Accruals	98,321	(15,388)	-0-	(7,060)
Prepays	(17,574)	-0-	-0-	-0-
Encumbrances	(104,585)	(33,417)	-0-	(940)
Budget Basis	778,629	1,070	33,539	53,455

NET INCOME/EXCESS OF REVENUES OVER EXPENSES
PROPRIETARY FUND TYPE

	Enterprise
GAAP Basis	41,872
Net Adj. For Revenue Accruals	(21,935)
Net Adj. For Expense Accruals	33,520
Encumbrances	(18,524)
Budget Basis	34,933

NOTE 5 – DEPOSITS AND INVESTMENTS

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 the Board of Education has identified as not required for use within the current two year periods 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 accounts, including passbook accounts.

SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

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

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 obligation 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 Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio); and
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 moneys available for investment at any one time.

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 specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer of qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

At year end, the carrying amount of the School District's deposits was \$2,734,240 and the bank balance was \$2,774,613. Of the bank balance:

1. \$100,000 was covered by federal deposit insurance; and
2. \$2,674,613 was uninsured and uncollateralized. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District held to a successful claim by the FDIC.

SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

Investments

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

	<u>Carrying and Fair Value</u>
STAROhio	\$2,650,323

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, “Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting.”

Reconciliation between the classifications of cash and cash equivalents and investments on the combined financial statements and the classifications of deposits and investments presented above
Per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement 9	\$5,384,563	0
StarOhio	<u>(2,650,323)</u>	<u>2,650,323</u>
GASB Statement 3	\$2,734,240	\$2,650,323

NOTE 6 – PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal property located in the School District. Property tax revenue received during calendar 2000 for real and public utility property taxes represents collections of calendar 1999 taxes. Property tax payments received during calendar 200 for tangible personal property (other than public utility property) is for calendar 2000 taxes.

2000 real property taxes are levied after April 1, 2000, on the assessed value as of January 1, 2000, the lien date. Assessed values are established by State law at thirty-five percent of the appraised market value. Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2000 public utility property taxes became a lien December 31, 1999, are levied after April 1, 2000 and are collected in 2001 with real property taxes. 2000 tangible personal property taxes are levied after April 1, 1999, on the value as of December 31, 1999. Collections are made in 2000. Tangible personal property assessments are twenty-five percent of true value.

SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 6 – PROPERTY TAXES (continued)

Real property taxes are payable annually or semiannually. If paid annually, payment is due January 20; if paid semiannually, the first payment is due January 20 with the remainder payable June 20. Under certain circumstances, state statute permits earlier or later payment dates to be established.

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

The School District receives property taxes from Lawrence County. The County Auditor periodically advances to the School District their portion of the taxes collected. Second-half real property tax payments collected by the counties by June 30, 2000 are available to finance fiscal year 2000 operations. The amount 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, personal property and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2000 was \$10,183 in the General Fund, \$2,813 in the Bond Retirement Fund and \$251 in the Classroom Facilities Special Revenue Fund.

The assessed valued upon which the fiscal year 2000 taxes were collected are:

	1999 Second-half	Collections	2000 First-half	Collections
	Amount	Percent	Amount	Percent
Agricultural/Residential And Other Real Estate	\$25,096,700	81.84%	22,571,820	80.48%
Public Utility Personal	5,357,580	17.47%	5,246,460	18.70%
Tangible Personal Property	211,840	.69%	230,900	.82%
Total Assessed Value	\$30,666,120	100.00%	28,049,180	100.00%
Tax rate per \$1,000 of assessed valuation	28.60		28.60	

NOTE 7 – RECEIVABLES

Receivables at June 30, 2000 consisted of taxes, accounts (rent and student fees), 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:

General Fund:	
Refund on Cooperative Units (Rock Hill Local)	\$6,769
Special Revenue:	
Title VI-B 2000 Grant	22,500
Title I 2000 Grant	42,000
Title VI 2000 Grant	<u>1,476</u>
Total	\$72,745
	=====

SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 8 – FIXED ASSETS

A summary of enterprise funds fixed assets at June 30, 2000 follows:

Machinery and Equipment	\$227,040
Less Accumulated Depreciation	(121,926)
Net Fixed Assets	\$105,114

A summary of the changes in general fixed assets during fiscal year 2000 follows:

Asset Category	Balance 6/30/99	Additions	Deletions	Balance 6/30/2000
Land and Improvement	500,678	-0-	-0-	500,678
Buildings and Improvements	8,968,484	52,016	-0-	9,020,500
Furniture and Equipment	2,232,098	65,351	47,685	2,249,764
Vehicles	1,001,388	-0-	46,935	994,097
Textbooks	432,406	-0-	-0-	432,406
Infrastructure	9,954	-0-	-0-	9,954
Totals	13,184,652	117,367	94,620	13,207,399

NOTE 9 – RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts, theft or, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2000, the School District contracted with Nationwide Insurance Company for property insurance and boiler and machinery coverage. The policies include a \$500 deductible per occurrence.

Professional and general liability is protected by the Nationwide Insurance Company with a \$1,000,000 single occurrence limit and no deductible. Vehicles are covered by Nationwide Insurance Company, and holds no deductible for comprehensive and a \$100 deductible for collision. Automobile liability coverage is as follows: a) Bodily injury each person \$100,000, b) Bodily injury each accident \$300,000 and c) Property damage each accident \$100,000.

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

The School District provides life insurance and accidental death and dismemberment insurance to classified employees in the amount of \$20,000 and to teachers and administrators in the amount of \$30,000.

Medical Mutual of Ohio provides health insurance. Premiums for this coverage are \$560.77 for family coverage, \$364.07 for two party plan and \$195.01 for single coverage. The School District pays 90% of premiums while the employee contributes 10%.

SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 10 – DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by 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. That report may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll.

A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2000, 5.5 percent of covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999 and 1998 were \$102,602, \$96,912, and \$91,032, respectively; 46% has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$59,885 representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds and the general long-term obligations account group.

B. State Teachers Retirement System

The Symmes 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. That 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 School District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. 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 contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$348,864, \$329,676, and \$318,000 respectively; 84% has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$59,595 representing the unpaid contribution for fiscal year 2000 is recorded as a liability within the respective funds.

NOTE 11 – 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-certificated 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 System based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 11 – POST-EMPLOYMENT BENEFITS (continued)

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of 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. For the fiscal year ended June 30, 2000, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$199,351 for fiscal year 2000.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 1999 (the latest information available) the balance in the Fund was \$2,783 million. For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2000, employer contributions to fund health care benefits were 8.5 percent of covered payroll, an increase from 6.3 percent for fiscal year 1999. 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, prorated for partial service credit. For fiscal year 2000, the minimum pay was established at \$12,400. For the School District the amount contributed to fund health care benefits, including the surcharge, during the 2000 fiscal year equaled \$74,194.

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

NOTE 12 – EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees upon termination of employment. All eleven and twelve month employees earn vacation time. All full time employees earn sick leave at a rate of one and one-fourth days per month. Employees may accumulate an unlimited amount of sick days. Upon retirement and after being employed in the district for ten years, payment is made for twenty-five percent of the employee's accumulated sick leave up to a maximum of 45 days for classified employees and 55 days for certified employees.

B. Life Insurance

The School District provides life insurance and accidental death and dismemberment insurance to employees through Community National Assurance Company. The coverage amount is \$30,000 for certified employees and \$20,000 for classified employees.

SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 12 – EMPLOYEE BENEFITS (continued)

C. Health Insurance

The School District provides health insurance to employees through Medical Mutual of Ohio. The Board of Education pays 90% of the monthly premium while the employees contribute 10%. Effective January 2000, the monthly premiums were: Family plan \$560.77, Two party plan \$364.07, Single plan \$195.01.

NOTE 13 – LONG TERM OBLIGATIONS

Long-term obligations of the School District as of June 30, 2000 were as follows:

	Principal Outstanding 6/30/99	Restated Amount	Restated Principal Outstanding 6/30/99	Additions	Deductions	Principal Outstanding 6/30/00
Compensated Absences	286,477	0	0	92,331	0	378,808
Refunding Bonds	1,450,865	131,965	1,318,900	0	85,000	1,233,900
Pension Obligation	39,618	0	0	41,032	39,618	41,032
Note Payable	0	0	0	147,000	8,792	138,208
Total Long-term Debt	1,776,960	131,965	1,318,900	280,363	133,410	1,791,948

The School District will pay compensated absences out of the fund from which employees salaries are paid.

On July 1, 1990 the Symmes Valley Local School District issued \$1,530,000 in school improvement bonds for the purpose of constructing an elementary school building. The bonds were issued for a twenty-three year period with final maturity on October 1, 2013. On January 26, 1998 the School District issued refunding bonds, which consisted of both current interest bonds and capital appreciation bonds, with maturity on September 16, 2013. The interest rate ranges from 5.5% to 8.24%.

The June 30, 1999 principal outstanding restated amount was due to incorrect principal and interest amounts used in the prior year amortization schedule.

Principal and interest requirements to retire the refunding bond debt outstanding at June 30, 2000 are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2001	85,000	46,612	131,612
2002	90,000	41,800	131,800
2003	95,000	36,713	131,713
2004	105,000	31,213	136,213
2005	115,000	25,163	140,163
2006 – 2010	527,800	232,575	760,375
2011 - 2014	216,100	438,900	655,000
Total	1,233,900	852,976	2,086,876

SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 13 – LONG TERM OBLIGATIONS (continued)

On December 1, 1999 the District borrowed \$147,000 from Lawrence Federal Savings Bank to finance a House Bill 264 Energy Conservation Project. The note will mature on December 15, 2006. The interest rate is 4.5%. Principal and interest requirements to retire the note outstanding at June 30, 2000 are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2001	18,728	5,837	24,565
2002	17,942	4,977	22,920
2003	20,489	4,077	24,566
2004	21,422	3,144	24,566
2005	24,060	2,151	26,212
2006	23,444	1,122	24,565
2007	12,123	160	12,283
Total	138,208	21,468	159,676

NOTE 14 – JOINTLY GOVERNED ORGANIZATIONS

South Central Ohio Computer Association

The South Central Ohio Computer Association (SCOCA) is a jointly governed organization among public school districts within the boundaries of Highland, Adams, Pike, Scioto, Brown, Ross and Lawrence Counties. The organization was formed with 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 SCOCA consists of two representatives from each of the seven participating counties and one representative from the fiscal agent. All revenues are generated from an annual fee of \$3.00 per student to participating districts and State funding. To obtain financial information write to the Pike County Joint Vocational School District, P.O. Box 577, 23365 State Route 124, Piketon, Ohio 45661.

Lawrence County Joint Vocational School

The Lawrence County Joint Vocational School District is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from Chesapeake-Union Exempted Village School District, two from the Ironton City School District and two from the Lawrence County Educational Service Center, which possesses its own budgeting and taxing authority. To obtain financial information write to the Lawrence County Joint Vocational School District, 11627 State Route 243, Chesapeake, Ohio 45619.

NOTE 15 – STATE SCHOOL FUNDING DECISION

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$3,939,015 of school foundation support for its general fund.

In addition the Court declared the classroom facilities program unconstitutional, because in the Court's opinion, the program had not been sufficiently funded by the State. The classroom facilities program provided money to build schools and furnish classrooms. As of June 30, 2000 the School District has received a total of \$8,799,031 under this program.

SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 15 – STATE SCHOOL FUNDING DECISION (continued)

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the Ohio 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 this 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, 1996 decision, however, it found seven “...major areas warrant[ing] 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 these programs and on its financial operations.

NOTE 16 – CONTINGENCIES

A. 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, 2000.

B. Litigation

As of June 30, 2000, the School District did not have any pending litigation or potential liabilities that would have a material effect on the financial statements.

NOTE 17 – SET-ASIDE CALCULATIONS AND FUND RESERVES

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

	Textbooks	Capital Acquisition	Budget Stabilization	Totals
Set-aside Cash Balance 6/30/99	82,242	69,516	189,753	341,511
Current Year Set-aside Requirement	96,385	96,385	0	192,770
Qualifying Disbursements	96,412	113,813	0	210,225
Set-aside Cash Balance 6/30/00	82,215	52,088	189,753	324,056

**SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY**

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

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Noncash Receipts	Disbursements	Noncash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster: Food Distribution Program	N/A	10.550	\$0	\$20,407	\$0	\$21,935
National School Breakfast Program	O5PU-00	10.553	59,338		59,338	
National School Lunch Program	O4PU-00	10.555	119,471		119,471	
Total Nutrition Cluster			<u>178,809</u>	<u>20,407</u>	<u>178,809</u>	<u>21,935</u>
Total U.S. Department of Agriculture			178,809	20,407	178,809	21,935
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Title I Grants to Local Education Agencies	C1S1-98 C1S1-99 C1S1-00	84.010	63,353 233,762		1,847 128,131 184,728	
Total Title I			297,115	0	314,706	0
Special Education Grants to States (IDEA Part B)	6BSF-99 6BSF-00	84.027	10,325 45,301		16,256 45,924	
Total Special Education Grants			55,626	0	62,180	0
Innovative Education Program Strategies	C2S1-99	84.298	659		3,522	
Class Size Reduction	CRS1-00	84.340	25,913		18,963	
Total U.S. Department of Education			379,313	0	399,371	0
<u>U.S. DEPARTMENT OF LABOR</u>						
<i>Passed Through Ohio Department of Education:</i>						
Employment Services and Job Training	WKBE-99	17.249			4,988	
Total U.S. Department of Labor			0	0	4,988	0
Total Schedule of Federal Awards Receipts and Expenditures			<u>\$558,122</u>	<u>\$20,407</u>	<u>\$583,168</u>	<u>\$21,935</u>

The accompanying notes to this Schedule of Federal Awards Receipts and Expenditures are an integral part of this schedule.

**SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY**

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2000, the District had \$1,158 in inventory.

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

743 East State Street
Athens Mall, Suite B
Athens, Ohio 45701

Telephone 740-594-3300
800-441-1389

Facsimile 740-594-2110

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

Symmes Valley Local School District
Lawrence County
14778 State Route 141
Willow Wood, Ohio 45696

To The Board of Education:

We have audited the accompanying general purpose financial statements of Symmes Valley Local School District, Lawrence County, Ohio (the School District), as of and for the year ended June 30, 2000, and have issued our report thereon dated January 18, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the School District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2000-10744-001. We also noted certain immaterial instances of noncompliance that we have reported to the management of the School District in a separate letter dated January 18, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted an other matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to the management of the School District in a separate letter dated January 18, 2001.

Symmes Valley Local School District
Lawrence County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

Jim Petro
Auditor of State

January 18, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

743 East State Street
Athens Mall, Suite B
Athens, Ohio 45701

Telephone 740-594-3300
800-441-1389

Facsimile 740-594-2110

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

Symmes Valley Local School District
Lawrence County
14778 State Route 141
Willow Wood, Ohio 45696

To the Board of Education:

Compliance

We have audited the compliance of Symmes Valley Local School District, Lawrence County, Ohio (the School District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2000. The School District's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

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

Internal Control Over Compliance

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

Symmes Valley Local School District
Lawrence County
Report of Independent Accountants on Compliance with Requirements
Applicable to Each Major Federal Program and Internal Control over
Compliance In Accordance with OMB Circular A-133
Page 2

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

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

Jim Petro
Auditor of State

January 18, 2001

**SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133, §.505
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

1. SUMMARY OF AUDITOR'S RESULTS
--

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under Section .510?	No
(d)(1)(vii)	Major Programs (list):	Title I Grant - CFDA #84.010
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133, §.505
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

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

FINDING NUMBER 2000-10744-001

Noncompliance Citation

Ohio Rev. Code Section 5705.41 (B) states that no subdivision is to expend money unless it has been appropriated. Expenditures exceeded appropriations at the legal level of control throughout the audit period in the following line items:

February 29, 2000

001-1300-200	\$ 7,081	001-2200-400	\$ 3,871	001-1100-9902	\$ 6,510
001-2700-9903	\$10,848	002-6100-9900	\$ 4,094	004-5600-600	\$ 29,403
018-2400-906F	\$29,403	018-2400-906F	\$ 5,993	432-2100-9899	\$ 2,500
516-1200-9899	\$ 3,247	516-2100-9899	\$ 4,036	572-1200-9899	\$ 6,326
572-2200-9899	\$ 4,308	572-1200-9900	\$26,859		

May 31, 2000

001-1300-200	\$10,148	001-2200-400	\$ 3,871	001-1100-9902	\$ 13,706
001-2800-200	\$10,005	001-2800-9194	\$26,844	001-2700-000	\$ 17,581
001-5300-9903	\$ 4,592	002-6100-9900	\$10,236	004-5600-600	\$119,691
014-0000-000	\$12,135	018-2400-000	\$12,354	300-4500-942H	\$ 3,722
447-1100-000	\$16,098	499-1100-9920	\$ 4,762	516-2100-9899	\$ 4,076
572-1200-9899	\$ 6,326	572-1200-9900	\$27,254		

We recommend that the School District monitor appropriations and expenditures periodically throughout the year. The Treasurer should not encumber funds or approve payments exceeding appropriations.

3. FINDINGS FOR FEDERAL AWARDS

None

**SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A-133 § .505 (c)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2000-10744-001	Treasurer will closely monitor appropriations and expenditures at the legal level throughout the year	06/30/01	Sue Ann Dial, Treasurer



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

SYMMES VALLEY LOCAL SCHOOL DISTRICT

LAWRENCE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 20, 2001**