



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

---

**STATE OF OHIO**





**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P. O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

January 21, 2003

The attached audit was conducted and prepared for release prior to the commencement of my term of office on January 13, 2003. Thus, I am releasing this audit under the signature of my predecessor.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State



**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT  
DELAWARE COUNTY**

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street  
2<sup>nd</sup> Floor  
Columbus, Ohio 43215  
Telephone 614-466-3402  
800-443-9275  
Facsimile 614-728-7199  
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS**

Board of Education  
Buckeye Valley Local School District  
Delaware County  
679 Coover Road  
Delaware, Ohio 43015

We have audited the accompanying general purpose financial statements of the Buckeye Valley Local School District, Delaware County, Ohio (the District) as of and for the year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 District, as of June 30, 2002 and the results of its operations and the cash flows of its proprietary funds and nonexpendable trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Governmental Auditing Standards*, we have also issued our report dated December 19, 2002 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form an opinion on the general purpose financial statements of the District, taken as a whole. The accompanying schedule of federal awards receipts and expenditures is presented for 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. We subjected this information 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.

A handwritten signature in black ink, appearing to read "Jim Petro".

**JIM PETRO**  
Auditor of State

December 19, 2002

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Buckeye Valley Local School District  
 Combined Balance Sheet  
 All Fund Types and Account Groups  
 June 30, 2002

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits:</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,602,231	\$195,852	\$217,230	\$68,657
Receivables:				
Property Taxes	5,707,063	0	996,285	409,278
Income Taxes	1,230,505	0	0	0
Accounts	3,705	337	0	0
Intergovernmental	653	8,266	271	43
Interfund	8,477	0	0	0
Accrued Interest	6,416	0	0	0
Prepaid Items	23,041	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	19,932	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	62,377	0	0	0
Fixed Assets (net, where applicable, of accumulated depreciation)	0	0	0	0
<u>Other Debits:</u>				
Amount Available in Debt Service Fund for Retirement of General Obligation Debt	0	0	0	0
Amount to be Provided from General Governmental Resources	0	0	0	0
Total Assets and Other Debits	<u>\$8,664,400</u>	<u>\$204,455</u>	<u>\$1,213,786</u>	<u>\$477,978</u>

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$41,162	\$156,666	\$0	\$0	\$2,281,798
0	0	0	0	7,112,626
0	0	0	0	1,230,505
18,589	0	0	0	22,631
11,082	0	0	0	20,315
0	0	0	0	8,477
0	0	0	0	6,416
673	0	0	0	23,714
10,164	0	0	0	10,164
88	0	0	0	20,020
0	0	0	0	62,377
286,548	0	25,108,885	0	25,395,433
0	0	0	463,753	463,753
0	0	0	13,857,646	13,857,646
<u>\$368,306</u>	<u>\$156,666</u>	<u>\$25,108,885</u>	<u>\$14,321,399</u>	<u>\$50,515,875</u>

(continued)

Buckeye Valley Local School District  
 Combined Balance Sheet  
 All Fund Types and Account Groups  
 June 30, 2002  
 (continued)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Liabilities, Fund Equity, and Other Credits:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$116,508	\$6,197	\$0	\$7,000
Contracts Payable	0	0	0	25,589
Accrued Wages and Benefits	1,193,912	15,847	0	0
Compensated Absences Payable	23,884	0	0	0
Intergovernmental Payable	436,628	8,377	0	0
Interfund Payable	0	8,477	0	0
Deferred Revenue	4,514,779	8,266	750,033	308,079
Undistributed Assets	0	0	0	0
Due to Students	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Stadium Loan Payable	0	0	0	0
Capital Leases Payable	0	0	0	0
Total Liabilities	6,285,711	47,164	750,033	340,668
<u>Fund Equity and Other Credits:</u>				
Investment in General Fixed Assets	0	0	0	0
<u>Retained Earnings:</u>				
Unreserved	0	0	0	0
Contributed Capital	0	0	0	0
<u>Fund Balance:</u>				
Reserved for Property Taxes	1,371,572	0	246,230	101,190
Reserved for Bus Purchase	5,702	0	0	0
Reserved for Contributions	0	0	0	0
Reserved for Encumbrances	170,642	21,336	0	41,257
Unreserved (Deficit)	830,773	135,955	217,523	(5,137)
Total Fund Equity and Other Credits	2,378,689	157,291	463,753	137,310
Total Liabilities, Fund Equity, and Other Credits	\$8,664,400	\$204,455	\$1,213,786	\$477,978

See Accompanying Notes to the General Purpose Financial Statements

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$681	\$0	\$0	\$0	\$130,386
0	0	0	0	25,589
48,726	0	0	0	1,258,485
16,519	0	0	1,324,890	1,365,293
28,475	52,960	0	125,194	651,634
0	0	0	0	8,477
0	0	0	0	5,581,157
0	7,217	0	0	7,217
0	45,820	0	0	45,820
0	0	0	12,220,000	12,220,000
0	0	0	493,961	493,961
0	0	0	157,354	157,354
<u>94,401</u>	<u>105,997</u>	<u>0</u>	<u>14,321,399</u>	<u>21,945,373</u>
0	0	25,108,885	0	25,108,885
27,235	0	0	0	27,235
246,670	0	0	0	246,670
0	0	0	0	1,718,992
0	0	0	0	5,702
0	25,000	0	0	25,000
0	0	0	0	233,235
0	25,669	0	0	1,204,783
<u>273,905</u>	<u>50,669</u>	<u>25,108,885</u>	<u>0</u>	<u>28,570,502</u>
<u>\$368,306</u>	<u>\$156,666</u>	<u>\$25,108,885</u>	<u>\$14,321,399</u>	<u>\$50,515,875</u>

Buckeye Valley Local School District  
 Combined Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 All Governmental Fund Types and Expendable Trust Funds  
 For the Fiscal Year Ended June 30, 2002

	Governmental Fund Types				Expendable Trust	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects		
<u>Revenues:</u>						
Property Taxes	\$5,795,656	\$0	\$1,026,599	\$414,087	\$0	\$7,236,342
Income Taxes	2,738,398	0	0	0	0	2,738,398
Intergovernmental	6,274,567	430,968	118,144	65,743	0	6,889,422
Interest	91,720	98	11,484	6,703	442	110,447
Tuition and Fees	91,972	148,078	0	0	0	240,050
Extracurricular Activities	25,257	114,914	0	0	0	140,171
Gifts and Donations	1,050	5,322	0	0	631	7,003
Miscellaneous	58,518	55,870	0	17,050	0	131,438
Total Revenues	<u>15,077,138</u>	<u>755,250</u>	<u>1,156,227</u>	<u>503,583</u>	<u>1,073</u>	<u>17,493,271</u>
<u>Expenditures:</u>						
Current:						
Instruction:						
Regular	7,102,855	213,523	0	73,267	0	7,389,645
Special	1,064,868	243,442	0	0	0	1,308,310
Vocational	340,460	17,888	0	0	0	358,348
Other	4,482	0	0	0	0	4,482
Support Services:						
Pupils	1,220,502	41,038	0	0	0	1,261,540
Instructional Staff	371,097	85,741	0	0	0	456,838
Board of Education	160,531	0	0	0	0	160,531
Administration	1,362,862	12,644	0	17,500	0	1,393,006
Fiscal	373,565	0	18,691	7,268	0	399,524
Operation and Maintenance of Plant	1,556,024	219	0	70,520	0	1,626,763
Pupil Transportation	905,210	29,695	0	0	0	934,905
Central	3,037	0	0	0	0	3,037
Non-Instructional Services	960	10,929	0	0	0	11,889
Extracurricular Activities	242,060	132,400	0	18,585	0	393,045
Capital Outlay	174,978	0	0	940,976	0	1,115,954
Debt Service:						
Principal Retirement	33,744	0	350,000	109,415	0	493,159
Interest and Fiscal Charges	22,006	0	739,410	27,902	0	789,318
Total Expenditures	<u>14,939,241</u>	<u>787,519</u>	<u>1,108,101</u>	<u>1,265,433</u>	<u>0</u>	<u>18,100,294</u>
Excess of Revenues Over (Under) Expenditures	<u>137,897</u>	<u>(32,269)</u>	<u>48,126</u>	<u>(761,850)</u>	<u>1,073</u>	<u>(607,023)</u>
<u>Other Financing Sources (Uses):</u>						
Inception of Capital Lease	165,683	0	0	0	0	165,683
Operating Transfers In	0	140	0	0	0	140
Operating Transfers Out	(137)	(3)	0	0	0	(140)
Total Other Financing Sources (Uses)	<u>165,546</u>	<u>137</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>165,683</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>303,443</u>	<u>(32,132)</u>	<u>48,126</u>	<u>(761,850)</u>	<u>1,073</u>	<u>(441,340)</u>
Fund Balances at Beginning of Year	<u>2,075,246</u>	<u>189,423</u>	<u>415,627</u>	<u>899,160</u>	<u>17,606</u>	<u>3,597,062</u>
Fund Balances End of Year	<u>\$2,378,689</u>	<u>\$157,291</u>	<u>\$463,753</u>	<u>\$137,310</u>	<u>\$18,679</u>	<u>\$3,155,722</u>

See Accompanying Notes to the General Purpose Financial Statements

Buckeye Valley Local School District  
 Combined Statement of Revenues, Expenditures,  
 and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual  
 All Governmental Fund Types and Expendable Trust Funds  
 For the Fiscal Year Ended June 30, 2002

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>						
Property Taxes	\$5,394,416	\$5,370,252	(\$24,164)	\$0	\$0	\$0
Income Taxes	2,686,556	2,686,556	0	0	0	0
Intergovernmental	6,219,825	6,274,421	54,596	466,992	466,992	0
Interest	99,770	99,770	0	98	98	0
Tuition and Fees	92,320	92,320	0	167,556	152,081	(15,475)
Extracurricular Activities	25,295	25,257	(38)	121,438	114,867	(6,571)
Gifts and Donations	1,157	1,050	(107)	5,358	5,322	(36)
Miscellaneous	66,970	66,601	(369)	60,722	60,739	17
Total Revenues	<u>14,586,309</u>	<u>14,616,227</u>	<u>29,918</u>	<u>822,164</u>	<u>800,099</u>	<u>(22,065)</u>
<u>Expenditures:</u>						
Current:						
Instruction:						
Regular	7,062,214	7,016,626	45,588	236,945	229,751	7,194
Special	1,156,742	1,064,120	92,622	257,713	243,185	14,528
Vocational	344,353	340,341	4,012	42,640	23,255	19,385
Other	7,500	4,482	3,018	0	0	0
Support Services:						
Pupils	1,202,424	1,125,371	77,053	57,824	43,713	14,111
Instructional Staff	455,453	431,515	23,938	115,523	89,732	25,791
Board of Education	157,573	157,176	397	0	0	0
Administration	1,420,424	1,414,310	6,114	21,632	13,809	7,823
Fiscal	412,334	390,413	21,921	0	0	0
Operation and Maintenance of Plant	1,594,671	1,558,093	36,578	219	219	0
Pupil Transportation	1,066,172	1,038,053	28,119	29,870	29,858	12
Central	4,976	3,037	1,939	0	0	0
Non-Instructional Services	1,146	772	374	12,498	12,498	0
Extracurricular Activities	245,491	241,975	3,516	125,922	133,438	(7,516)
Capital Outlay	9,358	9,295	63	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	<u>15,140,831</u>	<u>14,795,579</u>	<u>345,252</u>	<u>900,786</u>	<u>819,458</u>	<u>81,328</u>
Excess of Revenues Over (Under) Expenditures	<u>(554,522)</u>	<u>(179,352)</u>	<u>375,170</u>	<u>(78,622)</u>	<u>(19,359)</u>	<u>59,263</u>
<u>Other Financing Sources (Uses):</u>						
Refund of Prior Year Expenditures	1,103	1,103	0	0	0	0
Refund of Prior Year Receipts	(77)	(77)	0	0	0	0
Operating Transfers In	0	0	0	140	140	0
Operating Transfers Out	(137)	(137)	0	(3)	(3)	0
Total Other Financing Sources (Uses)	<u>889</u>	<u>889</u>	<u>0</u>	<u>137</u>	<u>137</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(553,633)</u>	<u>(178,463)</u>	<u>375,170</u>	<u>(78,485)</u>	<u>(19,222)</u>	<u>59,263</u>
Fund Balances at Beginning of Year	1,396,707	1,396,707	0	137,112	137,112	0
Prior Year Encumbrances Appropriated	281,940	281,940	0	44,609	44,609	0
Fund Balances at End of Year	<u>\$1,125,014</u>	<u>\$1,500,184</u>	<u>\$375,170</u>	<u>\$103,236</u>	<u>\$162,499</u>	<u>\$59,263</u>

(continued)

Buckeye Valley Local School District  
 Combined Statement of Revenues, Expenditures,  
 and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual  
 All Governmental Fund Types and Expendable Trust Funds  
 For the Fiscal Year Ended June 30, 2002  
 (continued)

	Debt Service Fund			Capital Projects Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>						
Property Taxes	\$967,377	\$962,775	(\$4,602)	\$385,204	\$383,051	(\$2,153)
Income Taxes	0	0	0	0	0	0
Intergovernmental	109,520	117,952	8,432	63,141	65,732	2,591
Interest	12,014	12,014	0	3,286	3,479	193
Tuition and Fees	0	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0	0
Gifts and Donations	0	0	0	0	0	0
Miscellaneous	0	0	0	16,106	17,050	944
Total Revenues	<u>1,088,911</u>	<u>1,092,741</u>	<u>3,830</u>	<u>467,737</u>	<u>469,312</u>	<u>1,575</u>
<u>Expenditures:</u>						
Current:						
Instruction:						
Regular	0	0	0	73,267	73,267	0
Special	0	0	0	0	0	0
Vocational	0	0	0	0	0	0
Other	0	0	0	0	0	0
Support Services:						
Pupils	0	0	0	144,000	144,000	0
Instructional Staff	0	0	0	0	34,983	(34,983)
Board of Education	0	0	0	0	0	0
Administration	0	0	0	17,500	17,500	0
Fiscal	20,000	18,810	1,190	7,334	7,421	(87)
Operation and Maintenance of Plant	0	0	0	46,904	46,904	0
Pupil Transportation	0	0	0	0	0	0
Central	0	0	0	0	0	0
Non-Instructional Services	0	0	0	0	0	0
Extracurricular Activities	0	0	0	18,585	18,585	0
Capital Outlay	0	0	0	931,478	880,730	50,748
Debt Service:						
Principal Retirement	350,000	350,000	0	109,415	109,415	0
Interest and Fiscal Charges	739,410	739,410	0	27,902	27,902	0
Total Expenditures	<u>1,109,410</u>	<u>1,108,220</u>	<u>1,190</u>	<u>1,376,385</u>	<u>1,360,707</u>	<u>15,678</u>
Excess of Revenues Over (Under) Expenditures	<u>(20,499)</u>	<u>(15,479)</u>	<u>5,020</u>	<u>(908,648)</u>	<u>(891,395)</u>	<u>17,253</u>
<u>Other Financing Sources (Uses):</u>						
Refund of Prior Year Expenditures	0	0	0	0	0	0
Refund of Prior Year Receipts	0	0	0	0	0	0
Operating Transfers In	0	0	0	0	0	0
Operating Transfers Out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(20,499)</u>	<u>(15,479)</u>	<u>5,020</u>	<u>(908,648)</u>	<u>(891,395)</u>	<u>17,253</u>
Fund Balances at Beginning of Year	232,444	232,444	0	714,485	714,485	0
Prior Year Encumbrances Appropriated	0	0	0	196,662	196,662	0
Fund Balances at End of Year	<u>\$211,945</u>	<u>\$216,965</u>	<u>\$5,020</u>	<u>\$2,499</u>	<u>\$19,752</u>	<u>\$17,253</u>

See Accompanying Notes to the General Purpose Financial Statements



Expendable Trust Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$6,746,997	\$6,716,078	(\$30,919)
0	0	0	2,686,556	2,686,556	0
0	0	0	6,859,478	6,925,097	65,619
477	477	0	115,645	115,838	193
0	0	0	259,876	244,401	(15,475)
0	0	0	146,733	140,124	(6,609)
631	631	0	7,146	7,003	(143)
0	0	0	143,798	144,390	592
<u>1,108</u>	<u>1,108</u>	<u>0</u>	<u>16,966,229</u>	<u>16,979,487</u>	<u>13,258</u>
0	0	0	7,372,426	7,319,644	52,782
0	0	0	1,414,455	1,307,305	107,150
0	0	0	386,993	363,596	23,397
0	0	0	7,500	4,482	3,018
0	0	0	1,404,248	1,313,084	91,164
0	0	0	570,976	556,230	14,746
0	0	0	157,573	157,176	397
0	0	0	1,459,556	1,445,619	13,937
0	0	0	439,668	416,644	23,024
0	0	0	1,641,794	1,605,216	36,578
0	0	0	1,096,042	1,067,911	28,131
0	0	0	4,976	3,037	1,939
2,300	0	2,300	15,944	13,270	2,674
0	0	0	389,998	393,998	(4,000)
0	0	0	940,836	890,025	50,811
0	0	0	459,415	459,415	0
0	0	0	767,312	767,312	0
<u>2,300</u>	<u>0</u>	<u>2,300</u>	<u>18,529,712</u>	<u>18,083,964</u>	<u>445,748</u>
<u>(1,192)</u>	<u>1,108</u>	<u>2,300</u>	<u>(1,563,483)</u>	<u>(1,104,477)</u>	<u>459,006</u>
0	0	0	1,103	1,103	0
0	0	0	(77)	(77)	0
0	0	0	140	140	0
0	0	0	(140)	(140)	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,026</u>	<u>1,026</u>	<u>0</u>
<u>(1,192)</u>	<u>1,108</u>	<u>2,300</u>	<u>(1,562,457)</u>	<u>(1,103,451)</u>	<u>459,006</u>
17,546	17,546	0	2,498,294	2,498,294	0
0	0	0	523,211	523,211	0
<u>\$16,354</u>	<u>\$18,654</u>	<u>\$2,300</u>	<u>\$1,459,048</u>	<u>\$1,918,054</u>	<u>\$459,006</u>

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Buckeye Valley Local School District  
 Combined Statement of Revenues, Expenses,  
 and Changes in Fund Equity  
 Proprietary Fund Type and Non-Expendable Trust Fund  
 For the Fiscal Year Ended June 30, 2002

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Non-Expendable Trust	(Memorandum Only)
<u>Operating Revenues:</u>			
Sales	\$539,220	\$0	\$539,220
Interest	0	789	789
Total Operating Revenues	<u>539,220</u>	<u>789</u>	<u>540,009</u>
<u>Operating Expenses:</u>			
Salaries	239,044	0	239,044
Fringe Benefits	130,947	0	130,947
Purchased Services	31,177	0	31,177
Materials and Supplies	18,796	0	18,796
Cost of Sales	268,853	0	268,853
Depreciation	6,403	0	6,403
Other Expenses	2,486	500	2,986
Total Operating Expenses	<u>697,706</u>	<u>500</u>	<u>698,206</u>
Operating Income (Loss)	<u>(158,486)</u>	<u>289</u>	<u>(158,197)</u>
<u>Non-Operating Revenues:</u>			
Federal Donated Commodities	32,247	0	32,247
Operating Grants	75,606	0	75,606
Interest	1,453	0	1,453
Total Non-Operating Revenues	<u>109,306</u>	<u>0</u>	<u>109,306</u>
Net Income (Loss)	(49,180)	289	(48,891)
Retained Earnings/Fund Balance at Beginning of Year (Restated Note 3)	<u>76,415</u>	<u>31,701</u>	<u>108,116</u>
Retained Earnings/Fund Balance at End of Year	27,235	31,990	59,225
Contributed Capital at Beginning and End of Year	246,670	0	246,670
Total Fund Equity at End of Year	<u>\$273,905</u>	<u>\$31,990</u>	<u>\$305,895</u>

See Accompanying Notes to the General Purpose Financial Statements

Buckeye Valley Local School District  
 Combined Statement of Revenues, Expenses,  
 and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual  
 Proprietary Fund Type and Non-Expendable Trust Fund  
 For the Fiscal Year Ended June 30, 2002

	Enterprise Funds		
	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$537,281	\$537,290	\$9
Interest	1,676	1,676	0
Operating Grants	74,540	74,540	0
Total Revenues	613,497	613,506	9
<u>Expenses:</u>			
Salaries	231,825	230,664	1,161
Fringe Benefits	133,161	127,120	6,041
Purchased Services	43,800	31,572	12,228
Materials and Supplies	284,384	259,818	24,566
Capital Outlay	4,332	4,332	0
Other Expenses	2,498	2,504	(6)
Total Expenses	700,000	656,010	43,990
Excess of Revenues Over (Under) Expenses	(86,503)	(42,504)	43,999
Fund Balances at Beginning of Year	82,670	82,670	0
Prior Year Encumbrances Appropriated	42	42	0
Fund Balances (Deficit) at End of Year	(\$3,791)	\$40,208	\$43,999

See Accompanying Notes to the General Purpose Financial Statements

Non-Expendable Trust Fund			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$537,281	\$537,290	\$9
847	847	0	2,523	2,523	0
0	0	0	74,540	74,540	0
847	847	0	614,344	614,353	9
0	0	0	231,825	230,664	1,161
0	0	0	133,161	127,120	6,041
0	0	0	43,800	31,572	12,228
0	0	0	284,384	259,818	24,566
0	0	0	4,332	4,332	0
1,500	500	1,000	3,998	3,004	994
1,500	500	1,000	701,500	656,510	44,990
(653)	347	1,000	(87,156)	(42,157)	44,999
31,593	31,593	0	114,263	114,263	0
0	0	0	42	42	0
\$30,940	\$31,940	\$1,000	\$27,149	\$72,148	\$44,999

Buckeye Valley Local School District  
 Combined Statement of Cash Flows  
 Proprietary Fund Type and Non-Expendable Trust Fund  
 For the Fiscal Year Ended June 30, 2002

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	Totals
	Enterprise	Non-Expendable Trust	(Memorandum Only)
<u>Increase (Decrease) in Cash and Cash Equivalents</u>			
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$537,250	\$0	\$537,250
Cash Payments for Salaries	(230,664)	0	(230,664)
Cash Payments for Fringe Benefits	(127,120)	0	(127,120)
Cash Payments for Goods and Services	(290,490)	0	(290,490)
Cash Payments for Other Expenses	(2,486)	(500)	(2,986)
Net Cash Used for Operating Activities	<u>(113,510)</u>	<u>(500)</u>	<u>(114,010)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Cash Received from Operating Grants	74,540	0	74,540
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Cash Payments for Fixed Assets	(4,332)	0	(4,332)
<u>Cash Flows from Investing Activities:</u>			
Cash Received from Interest	<u>1,453</u>	<u>789</u>	<u>2,242</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(41,849)	289	(41,560)
Cash and Cash Equivalents at Beginning of Year	83,011	31,701	114,712
Cash and Cash Equivalents at End of Year	<u>\$41,162</u>	<u>\$31,990</u>	<u>\$73,152</u>

(continued)

Buckeye Valley Local School District  
 Combined Statement of Cash Flows  
 Proprietary Fund Type and Non-Expendable Trust Fund  
 For the Fiscal Year Ended June 30, 2002  
 (continued)

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	Totals
	Enterprise	Non-Expendable Trust	(Memorandum Only)
<u>Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:</u>			
Operating Income (Loss)	(\$158,486)	\$289	(\$158,197)
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Used for Operating Activities:</u>			
Depreciation	6,403	0	6,403
Donated Commodities Received During Year	32,247	0	32,247
Interest Reported as Operating Income	0	(789)	(789)
<u>Changes in Assets and Liabilities:</u>			
Increase in Accounts Receivable	(1,970)	0	(1,970)
Decrease in Prepaid Items	32	0	32
Increase in Inventory Held for Resale	(2,936)	0	(2,936)
Decrease in Materials and Supplies Inventory	89	0	89
Decrease in Accounts Payable	(1,096)	0	(1,096)
Increase in Accrued Wages and Benefits	8,336	0	8,336
Increase in Compensated Absences Payable	2,155	0	2,155
Increase in Intergovernmental Payable	1,716	0	1,716
Net Cash Used for Operating Activities	<u>(\$113,510)</u>	<u>(\$500)</u>	<u>(\$114,010)</u>

Non-Cash Transactions

During fiscal year 2002, the School District received donated commodities in the Food Service enterprise fund, in the amount of \$32,247.

Reconciliation of Non-Expendable Trust Fund Cash and Cash Equivalents to Balance Sheet:

All Fiduciary Fund Types	\$156,666
Less Agency Funds	(105,997)
Less Expendable Trust Funds	(18,679)
Cash and Cash Equivalents-Non-Expendable Trust Fund	<u>\$31,990</u>

See Accompanying Notes to the General Purpose Financial Statements

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**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

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

The School District was established in 1961. The School District serves an area of approximately one hundred ninety-six square miles. It is located in Delaware, Marion, Morrow, and Union Counties. The School District is the 252<sup>nd</sup> largest in the State of Ohio (among 613 school districts) in terms of enrollment. It is staffed by ninety classified employees, one hundred forty-two certified teaching personnel, and eleven administrative employees who provide services to 2,219 students and other community members. The School District currently operates three elementary schools, a junior high school, a high school, an administration building, and a bus garage.

Reporting Entity

A reporting entity is composed of the primary government, component units, and other organizations that are included to insure the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Buckeye 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 organizations’ resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. There are no component units of the Buckeye Valley Local School District.

The School District participates in two jointly governed organizations and three insurance pools. These organizations are the Tri-Rivers Educational Computer Association (TRECA), Delaware Joint Vocational School, Ohio School Plan, Ohio School Boards Association Workers’ Compensation Group Rating Plan, and the Champaign, Delaware, Marion, Union School Employee Welfare Benefit Association Trust. These organizations are presented in Notes 20 and 21 to the general purpose financial statements.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**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 all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net available expendable resources.

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

Governmental Fund Types

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

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

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

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

Capital Projects Funds - 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).

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

Fiduciary Fund Types

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

Account Groups

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

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the School District, except those accounted for in proprietary funds or trust funds.

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

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

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

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

Buckeye Valley Local School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

The modified accrual basis of accounting is followed for the governmental fund types, expendable trust and agency funds. The full accrual basis of accounting is followed for the proprietary fund type and non-expendable trust fund.

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the fiscal year in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred revenues arise when assets are recognized before revenue recognition criteria has been satisfied. Property taxes for which there was an enforceable legal claim as of June 30, 2002, but which were levied to finance fiscal year 2003 operations, are recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. On the modified accrual basis, revenues that are not collected within the available period are recorded as deferred revenue.

On the accrual basis, expenses are recognized at the time they are incurred.

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**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 by fund cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each function in the General Fund and at the fund level for all other funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education. Budgetary allocations at the function and object level in all funds, except the General Fund, are made by the School District Treasurer.

**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 Delaware 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 County Budget Commission, and receives the commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing fiscal 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 of estimated resources is amended to include any unencumbered cash balances from the preceding fiscal year. The certificate of estimated resources may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board.

Buckeye Valley Local School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Appropriations**

Upon receipt from the County Auditor of an amended certificate of estimated resources, based on final assessed values and tax rates, or a certificate saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board of Education. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The total of expenditures and encumbrances may not exceed the appropriation totals at any level of control.

The Board may pass supplemental fund appropriations as long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriation resolutions were legally enacted.

The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts passed during the fiscal year. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, 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. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental fund types and expendable trust funds and reported in the notes to the financial statements for the proprietary fund type and non-expendable trust fund.

**Lapsing of Appropriations**

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

**D. Cash and Investments**

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

Buckeye Valley Local School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

During fiscal year 2002, investments were limited to repurchase agreements and STAR Ohio. Repurchase agreements are reported at cost. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2002.

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 2002 was \$91,720, which included \$9,999 assigned from other School District funds.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months, and not purchased from the pool, are reported as investments.

**E. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2002, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is recorded in the year in which services are consumed.

**F. Inventory**

Inventory is stated at cost on a first-in first-out basis and is expended/expensed when used. Inventory in the governmental funds consists of expendable supplies held for consumption. Inventory in the enterprise fund consists of donated and purchased food.

**G. Restricted Assets**

Restricted assets in the General Fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets represent unexpended revenues restricted for the purchase of school buses.

**H. Fixed Assets and Depreciation**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of one thousand dollars. The School District does not have any infrastructure. Interest incurred during the construction of enterprise fund fixed assets is also capitalized.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements are capitalized. Improvements to proprietary fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

**I. Interfund Assets/Liabilities**

Short-term interfund loans are classified as “Interfund Receivables/Payables”.

**J. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees’ wage rates at fiscal year end, taking into consideration any limits specified in the School District’s termination policy. The School District records a liability for accumulated unused sick leave for all employees after ten years of service with the School District.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account “Compensated Absences Payable” in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

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

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as liabilities in the general long-term obligations account group to the extent that they will not be paid with current available expendable resources. Payments for these obligations made more than sixty days after fiscal year end are considered not to have used current available expendable resources. Bonds, long-term loans, and capital leases are recognized as liabilities in 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 fund.

**L. Contributed Capital**

Contributed capital represents resources from other funds, other governments, and private sources provided to the proprietary funds prior to fiscal year 2001 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 fiscal year end.



Buckeye Valley Local School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Capital contributions received from other governments and private sources subsequent to fiscal year 2000 are recorded as revenues and reported as retained earnings. Contributions from other funds continue to be reported as contributed capital.

**M. Fund Balance Reserves**

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for property taxes, bus purchase, contributions, and encumbrances.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for contributions signifies legal restrictions on the use of principal in the non-expendable trust fund.

**N. Interfund Transactions**

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

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

**O. 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.

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

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

**NOTE 3 - CORRECTION OF AN ERROR**

In fiscal year 2001, the School District recognized donated commodities as revenue when used instead of when received. For the enterprise fund, this correction increased retained earnings \$6,204 from \$70,211 to \$76,415.

Buckeye Valley Local School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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**NOTE 4 - ACCOUNTABILITY AND COMPLIANCE**

**A. Accountability**

At June 30, 2002, the Early Childhood, Athletic, and Title I special revenue funds had a deficit fund balance of \$3,749, \$10,992, and \$1,475, respectively. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**B. Compliance**

The Athletic special revenue fund had expenditures in excess of appropriations for the year ended June 30, 2002, in the amount of \$8,459.

At June 30, 2002, the Athletic special revenue fund had deficit cash, in the amount of \$8,477.

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING**

While the School District is reporting financial position, results of operations, and changes in fund balances/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - All Governmental Fund Types and Expendable Trust Funds and the Combined Statement of Revenues, Expenses, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - Proprietary Fund Type and Non-Expendable Trust Fund 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).

Buckeye Valley Local School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING** (continued)

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 expendable trust funds and as note disclosure in the proprietary fund type and non-expendable trust fund (GAAP basis).
4. For proprietary funds, the acquisition and construction of fixed assets are reported on the operating statement (budget basis) rather than as 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 and Expendable Trust Funds

	Governmental Fund Types				Expendable Trust
	General	Special Revenue	Debt Service	Capital Projects	
GAAP Basis	\$303,443	(\$32,132)	\$48,126	(\$761,850)	\$1,073
<u>Increase (Decrease) Due To:</u>					
Revenue Accruals:					
Accrued FY 2001, Received in Cash FY 2002	1,953,107	43,961	182,507	70,195	0
Accrued FY 2002, Not Yet Received in Cash	(2,433,563)	(337)	(246,523)	(101,242)	0
Expenditure Accruals:					
Accrued FY 2001, Paid in Cash FY 2002	(1,596,093)	(41,093)	0	(83,954)	0
Accrued FY 2002, Not Yet Paid in Cash	1,770,932	30,421	0	32,589	0
Cash Adjustments:					
Unrecorded Activity FY 2001	6,131	4,765	676	1,772	60
Unrecorded Activity FY 2002	(2,259)	(3,540)	(265)	(5,148)	(25)
Prepaid Items	(5,923)	69	0	0	0
Materials and Supplies Inventory	(3,596)	0	0	0	0
Encumbrances Outstanding at Fiscal Year End (Budget Basis)	(170,642)	(21,336)	0	(43,757)	0
Budget Basis	<u>(\$178,463)</u>	<u>(\$19,222)</u>	<u>(\$15,479)</u>	<u>(\$891,395)</u>	<u>\$1,108</u>

Buckeye Valley Local School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING** (continued)

Net Income (Loss)/Excess of Revenues Over (Under) Expenses  
Proprietary Fund Type and Non-Expendable Trust Fund

	Proprietary Fund Type	Non-Expendable Trust
	Enterprise	Trust
GAAP Basis	(\$49,180)	\$289
<u>Increase (Decrease) Due To:</u>		
Revenue Accruals:		
Accrued FY 2001, Received in Cash FY 2002	26,635	0
Accrued FY 2002, Not Yet Received in Cash	(29,671)	0
Expense Accruals:		
Accrued FY 2001, Paid in Cash FY 2002	(83,290)	0
Accrued FY 2002, Not Yet Paid in Cash	94,401	0
Cash Adjustments:		
Unrecorded Activity FY 2001	299	108
Unrecorded Activity FY 2002	(54)	(50)
Prepaid Items	32	0
Inventory Held for Resale	(2,936)	0
Materials and Supplies Inventory	89	0
Acquisition of Fixed Assets	(4,332)	0
Depreciation Expense	6,403	0
Encumbrances Outstanding at Fiscal Year End (Budget Basis)	(900)	0
Budget Basis	(\$42,504)	\$347

**NOTE 6 - 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.

Buckeye Valley Local School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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**NOTE 6 - DEPOSITS AND INVESTMENTS** (continued)

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

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

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 monies deposited with the institution.

Interim monies may be invested in the following securities:

1. United States Treasury bills, bonds, notes, 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 security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the 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 or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Buckeye Valley Local School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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**NOTE 6 - DEPOSITS AND INVESTMENTS** (continued)

At fiscal year end, the School District had \$585 in undeposited cash on hand which is included on the balance sheet of the School District as part of "Equity in Pooled Cash and Cash Equivalents".

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

At fiscal year end, the carrying amount of the School District's deposits was (\$179,898) and the bank balance was \$249,632. Of the bank balance, \$107,568 was covered by federal depository insurance and \$142,064 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 to a successful claim by the FDIC.

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

	Category 3	Carrying Amount	Fair Value
Repurchase Agreements	\$1,461,081	\$1,461,081	\$1,461,129
STAR Ohio		1,062,407	1,062,407
Totals		\$2,523,488	\$2,523,536

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

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$2,344,175	\$0
Cash on Hand	(585)	0
Investments:		
Repurchase Agreements	(1,461,081)	1,461,081
STAR Ohio	(1,062,407)	1,062,407
GASB Statement No. 3	(\$179,898)	\$2,523,488

Buckeye Valley Local School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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**NOTE 7 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real property, public utility property, and tangible personal (used in business) property located in the School District. Real and public utility property tax revenues received in calendar year 2002 represent the collection of calendar year 2001 taxes. Real property taxes received in calendar year 2002 were levied after April 1, 2001, on the assessed values as of January 1, 2001, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility real and tangible personal property taxes received in calendar year 2002 were levied after April 1, 2001, on the assessed values as of December 31, 2000, the lien date. Public utility real property is assessed at 35 percent of true value; tangible personal property is currently assessed at varying percentages of true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

Tangible personal property tax revenues received in calendar year 2002 (other than public utility property) represent the collection of calendar year 2002 taxes. Tangible personal property taxes received in calendar year 2002 were levied after April 1, 2001, on the value as of December 31, 2001. Tangible personal property is currently assessed at 25 percent of true value. Amounts 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. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30. This year the settlement was delayed beyond fiscal year end.

The School District receives property taxes from Delaware, Marion, Morrow, and Union Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2002, are available to finance fiscal year 2002 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding, the late personal property tax settlement, and real property, public utility property, and tangible personal property taxes which were measurable as of June 30, 2002, and for which there was an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 and the delayed personal property tax settlement are intended to finance current fiscal year operations and are recognized as revenue at fiscal year end. The receivable is 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, 2002, was \$1,371,572 in the General Fund, \$246,230 in the Bond Retirement debt service fund, and \$101,190 in the Permanent Improvement capital projects fund. The amount available as an advance at June 30, 2001, was \$946,969 in the General Fund, \$182,507 in the Bond Retirement debt service fund, and \$70,195 in the Permanent Improvement capital projects fund.

Buckeye Valley Local School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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**NOTE 7 - PROPERTY TAXES** (continued)

The late settlement made by the County for fiscal year 2002 was \$801 in the General Fund, \$101 in the Bond Retirement debt service fund, and \$41 in the Permanent Improvement capital projects fund.

The assessed values upon which fiscal year 2002 taxes were collected are:

	2001 Second - Half Collections		2002 First - Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$250,043,050	90.22%	\$264,365,770	90.16%
Public Utility	17,679,020	6.38	15,738,500	5.37
Tangible Personal	9,418,598	3.40	13,120,332	4.47
Total Assessed Value	<u>\$277,140,668</u>	<u>100.00%</u>	<u>\$293,224,602</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$34.40		\$34.15	

**NOTE 8 - INCOME TAXES**

The School District levies a voted tax of 1 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 1993, and is for a continuing period. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund.

**NOTE 9 - RECEIVABLES**

Receivables at June 30, 2002, consisted of both property and income taxes, accounts (student fees and billings for user charged services), intergovernmental, interfund, and accrued interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. Student fees are also considered collectible in full due to the withholding of diplomas and grade cards. Accounts receivable at June 30 were \$22,631.



Buckeye Valley Local School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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**NOTE 9 - RECEIVABLES** (continued)

A summary of the principal items of intergovernmental receivables follows:

	Amount
General Fund	
Homestead and Rollback	\$653
Special Revenue Funds	
Title VI	8,210
Title VI-R	56
Total Special Revenue Funds	8,266
Debt Service Fund	
Homestead and Rollback	105
Delaware CSD	166
Total Debt Service Fund	271
Capital Projects Fund	
Permanent Improvement	
Homestead and Rollback	43
Enterprise Fund	
Food Service	11,082
Total Intergovernmental Receivables	\$20,315

**NOTE 10 - FIXED ASSETS**

A summary of the enterprise funds' fixed assets at June 30, 2002, follows:

Furniture and Equipment	\$514,146
Less Accumulated Depreciation	(227,598)
Net Fixed Assets	\$286,548

Buckeye Valley Local School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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**NOTE 10 - FIXED ASSETS** (continued)

A summary of the changes in general fixed assets during fiscal year 2002 follows:

	Balance at 6/30/01	Additions	Reductions	Balance at 6/30/02
Land and Improvements	\$883,222	\$0	\$0	\$883,222
Buildings and Improvements	18,335,039	376,676	0	18,711,715
Furniture, Fixtures, and Equipment	3,418,471	215,564	202,212	3,431,823
Vehicles	1,273,280	96,441	0	1,369,721
Construction in Progress	88,921	670,662	47,179	712,404
<b>Totals</b>	<b>\$23,998,933</b>	<b>\$1,359,343</b>	<b>\$249,391</b>	<b>\$25,108,885</b>

**NOTE 11 - INTERFUND ASSETS/LIABILITIES**

At June 30, 2002, the General Fund had an interfund receivable and the Athletic special revenue fund had an interfund payable, in the amount of \$8,477.

**NOTE 12 - RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2002, the School District contracted for the following insurance coverage.

Coverage provided by Nationwide Insurance is as follows:

Automobile Liability	\$2,000,000
Uninsured Motorists	2,000,000
Comprehensive (\$100 deductible)	
Collision	
Medical Payments - per person	5,000

Coverage provided by Indiana Insurance is as follows:

Building and Contents/Boiler and Machinery	37,633,969
Inland Marine Coverage (\$100 deductible)	
Equipment	402,422

Coverage provided by Ohio School Plan is as follows:

General Liability	
Per Occurrence	1,000,000
Total Per Year	3,000,000

Buckeye Valley Local School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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**NOTE 12 - RISK MANAGEMENT** (continued)

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

For fiscal year 2002, the School District participated in the Ohio School Plan (Plan), an insurance purchasing pool. Each participant enters into an individual agreement with the Plan for insurance coverage and pays annual premiums to the Plan based on the types and limits of coverage and deductibles selected by the participant.

For fiscal year 2002, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP.

A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP.

The School District participates in the Champaign, Delaware, Marion, Union School Employee Welfare Benefit Association Trust (Trust), a public entity shared risk pool consisting of eight school districts and the Champaign County and Delaware/Union County Educational Service Centers. The School District pays monthly premiums to the Trust for employee medical, dental, and life insurance benefits. The Trust is responsible for the management and operations of the program. Upon withdrawal from the Trust, a participant is responsible for the payment of all Trust liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

**NOTE 13 - DEFINED BENEFIT PENSION PLANS**

**A. State Teachers Retirement System**

The 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 retirement and disability benefits, annual cost-of-living adjustments, and death benefits 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. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

**NOTE 13 - DEFINED BENEFIT PENSION PLANS** (continued)

Plan members are required to contribute 9.3 percent of their annual covered salary and the School District is required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations for fiscal year 2002. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contribution for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000, were \$669,323, \$586,588, and \$369,112, respectively; 83 percent has been contributed for fiscal year 2002 and 100 percent for fiscal years 2001 and 2000. The unpaid contribution for fiscal year 2002, in the amount of \$114,224, is recorded as a liability within the respective funds.

**B. School Employees Retirement System**

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan administered by the School Employees Retirement Board. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute an actuarially determined rate. The current rate is 14 percent of annual covered payroll; 5.46 percent was the portion used to fund pension obligations for fiscal year 2002. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The School District's required contribution for pension obligations to SERS for the fiscal years ended June 30, 2002, 2001, and 2000, were \$113,038, \$76,628, and \$91,083, respectively; 42 percent has been contributed for fiscal year 2002 and 100 percent for fiscal years 2001 and 2000. The unpaid contribution for fiscal year 2002, in the amount of \$65,752, is recorded as a liability within the respective funds and the general long-term obligations account group.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the State Teachers Retirement System or the School Employees Retirement System have an option to choose Social Security or the State Teachers Retirement System/School Employees Retirement System. As of June 30, 2002, all of the Board of Education members have elected Social Security. The Board's liability is 6.2 percent of wages paid.

**NOTE 14 - POSTEMPLOYMENT 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 classified 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 obligation to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

Buckeye Valley Local School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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**NOTE 14 - POSTEMPLOYMENT BENEFITS** (continued)

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 health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For fiscal year 2002, the Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount was \$317,048.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the fund was \$3,256 million at June 30, 2001 (the latest information available). For the fiscal year ended June 30, 2001, net health care costs paid by STRS were \$300,772,000, and STRS had 102,132 eligible benefit recipients.

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

For the fiscal year ended June 30, 2002, employer contributions to fund health care benefits were 8.54 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2002, the minimum pay was established at \$12,400. For the School District, the amount to fund health care benefits, including the surcharge, was \$211,120 for fiscal year 2002.

The surcharge, added to the unallocated portion of 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 annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2001 (the latest information available), were \$161,439,934, and the target level was \$242.2 million. At June 30, 2001, SERS had net assets available for payment of health care benefits of \$315.7 million. SERS has approximately 50,000 participants currently receiving health care benefits.

**NOTE 15 - OTHER EMPLOYEE BENEFITS**

**A. Compensated Absences**

The criteria for determining vacation and sick leave benefits is 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 and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at a rate of one and one-fourth days per month. Upon retirement, payment is made for one-fourth of their accrued, but unused sick leave credit to the maximum of eighty days for classified employees and thirty days for certified employees. In addition, sick leave in excess of one hundred twenty days is calculated on a basis of the total accumulated sick leave days up to and including two hundred twenty-five days multiplied by .357 for classified employees, and up to and including two hundred fifteen days multiplied by .333 for certified employees.

Buckeye Valley Local School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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**NOTE 15 - OTHER EMPLOYEE BENEFITS** (continued)

**B. Insurance Benefits**

The School District offers medical, dental, and life insurance benefits to employees through the Champaign, Delaware, Marion, Union School Employee Welfare Benefit Association Trust. Depending upon the plan chosen, the employees share the cost of the monthly premium with the Board. The premium varies with employee depending on the terms of the union contract.

**NOTE 16 - CAPITAL LEASES - LESSEE DISCLOSURE**

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

General fixed assets consisting of equipment have been capitalized in the general fixed assets account group, in the amount of \$207,069. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in fiscal year 2002 were \$33,744 in the governmental funds. During fiscal year 2002, a capital lease was terminated which resulted in a reduction in the capital lease liability of \$82,012.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2002.

Fiscal Year Ending June 30,	GLTDAG
2003	\$57,235
2004	48,040
2005	46,200
2006	46,200
2007	7,700
Subtotal	205,375
Less Amount Representing Interest	(48,021)
Present Value of Minimum Lease Payments	\$157,354

Buckeye Valley Local School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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**NOTE 17 - LONG-TERM OBLIGATIONS**

The changes in the School District's long-term obligations during fiscal year 2002 were as follows:

	Balance at 6/30/01	Additions	Reductions	Balance at 6/30/02
School Building Bonds				
FY 1996 4.100%	\$12,570,000	\$0	\$350,000	\$12,220,000
Stadium Construction Loan				
FY 2001 4.841%	603,376	0	109,415	493,961
Total General Obligation Debt	13,173,376	0	459,415	12,713,961
Compensated Absences Payable	1,310,540	14,350	0	1,324,890
Intergovernmental Payable	109,765	125,194	109,765	125,194
Capital Leases Payable	107,427	165,683	115,756	157,354
Total General Long-Term Obligations	\$14,701,108	\$305,227	\$684,936	\$14,321,399

FY 1996 School Building Bonds - On December 1, 1995, the School District issued \$14,000,000 in voted general obligation bonds for improving and constructing school buildings and facilities. The bonds were issued for a twenty-five year period, with final maturity in fiscal year 2021. The bonds are being retired through the Bond Retirement debt service fund.

FY 2001 Stadium Construction Loan - On May 18, 2001, the School District obtained a loan, in the amount of \$603,376, for the construction of an athletic stadium. The loan has an interest rate of 4.841 percent. The loan will be paid over a five year period, with final maturity in fiscal year 2006. The loan is being retired from the Permanent Improvement capital projects fund.

Compensated absences and intergovernmental payables, representing the School District's contractually required pension contributions, will be paid from the fund from which the employees' salaries are paid. Capital leases will be paid from the General Fund.

The School District's overall debt margin was \$14,140,006 with an unvoted debt margin of \$263,017 at June 30, 2002.

Buckeye Valley Local School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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**NOTE 17 - LONG-TERM OBLIGATIONS** (continued)

Principal and interest requirements to retire the general obligation debt outstanding at June 30, 2002, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2003	479,775	745,324	1,225,099
2004	505,400	721,882	1,227,282
2005	526,299	696,942	1,223,241
2006	552,487	670,455	1,222,942
2007	465,000	639,199	1,104,199
2008-2012	2,700,000	2,674,538	5,374,538
2013-2017	3,675,000	1,603,239	5,278,239
2018-2021	3,810,000	411,600	4,221,600
	<u>\$12,713,961</u>	<u>\$8,163,179</u>	<u>\$20,877,140</u>

**NOTE 18 - SET ASIDE REQUIREMENTS**

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 the end of the fiscal year or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end. These amounts must be carried forward and used for the same purposes in future years.

The following cash basis information identifies the changes in the fund balance reserves for textbooks and capital improvements during fiscal year 2002.

	Textbooks	Capital Improvements
Balance June 30, 2001	\$46,177	\$0
Current Year Set Aside Requirement	265,045	265,045
Current Year Offsets	0	(191,698)
Qualifying Expenditures	(549,426)	(73,347)
Amount Carried Forward to Fiscal Year 2003	(\$238,204)	\$0
Set Aside Reserve Balance June 30, 2002	<u>\$0</u>	<u>\$0</u>

The School District had qualifying expenditures during the fiscal year that reduced the textbooks set aside amount below zero. This amount may be used to reduce the set aside requirement in future fiscal years.



Buckeye Valley Local School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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**NOTE 19 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The School District maintains two enterprise funds to account for the operations of food service and uniform school supplies. The table below reflects the more significant financial data relating to the enterprise funds of the Buckeye Valley Local School District as of and for the fiscal year ended June 30, 2002.

	Food Service	Uniform School Supplies	Total Enterprise Funds
Operating Revenues	\$512,544	\$26,676	\$539,220
Depreciation Expense	6,403	0	6,403
Operating Income (Loss)	(163,057)	4,571	(158,486)
Federal Donated Commodities	32,247	0	32,247
Operating Grants	75,606	0	75,606
Net Income (Loss)	(53,751)	4,571	(49,180)
Fixed Asset Additions	4,332	0	4,332
Fixed Asset Reductions	1,523	0	1,523
Net Working Capital	(17,940)	21,816	3,876
Total Assets	346,450	21,856	368,306
Total Equity	252,089	21,816	273,905
Encumbrances Outstanding at Fiscal Year End (Budget Basis)	700	200	900

**NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS**

**A. Tri-Rivers Educational Computer Association**

The School District is a participant in the Tri-Rivers Educational Computer Association (TRECA), which is a computer consortium. TRECA is an association of public school districts within the boundaries of Delaware, Knox, Marion, Morrow, Muskingum, and Wyandot Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of TRECA consists of one representative from each county elected by majority vote of all charter member school districts within each county, one representative from the city school districts, and the superintendent from Tri-Rivers Joint Vocational School. During fiscal year 2002, the School District paid \$118,638 to TRECA for various services. Financial information can be obtained from Mike Carder, who serves as Director, 2222 Marion Mt. Gilead Road, Marion, Ohio 43302.

**B. Delaware Joint Vocational School**

The Delaware Joint Vocational School (JVS) is a distinct political subdivision of the State of Ohio which provides vocational education. The JVS operates under the direction of a Board consisting of one representative from each of the ten participating school districts' Board of Education. The degree of control exercised by the School District is limited to its representation on the Board. The Board possesses its own budgeting and taxing authority. Financial information can be obtained from Carl Claphan, who serves as Interim Treasurer, 4565 Columbus Pike Road, Delaware, Ohio 43015.

**NOTE 21 - INSURANCE POOLS**

**A. Ohio School Plan**

The School District participates in the Ohio School Plan (Plan), an insurance purchasing pool established under Section 2744.081 of the Ohio Revised Code. The Plan is an unincorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. The Plan's business and affairs are conducted by a fifteen member board consisting of superintendents, treasurers, the president of Harcum-Hyre Insurance Agency, Inc., and a member of the Hylant Group, Inc. The Hylant Group, Inc. is the Plan's administrator and is responsible for processing claims. Harcum-Hyre Insurance Agency serves as the sales and marketing representative which establishes agreements between the Plan and its members. Financial information can be obtained from Harcum-Hyre Insurance Agency, 246 East Sycamore Street, Columbus, Ohio 43206.

**B. Ohio School Boards Association Workers' Compensation Group Rating Plan**

The School District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP) was established through the Ohio School Boards Association (OSBA) as an insurance purchasing pool.

The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the GRP. Each year, the participants pay an enrollment fee to the GRP to cover the costs of administering the program.

**C. Champaign, Delaware, Marion, Union School Employee Welfare Benefit Association Trust**

The Champaign, Delaware, Marion, Union School Employee Welfare Benefit Association Trust (Trust), is a public entity shared risk pool consisting of seven school districts and the Champaign County and Delaware/Union County Educational Service Centers. The Trust is organized as a Voluntary Employee Benefit association under Section 501(c)(9) of the Internal Revenue Code and provides medical, dental, and life insurance benefits to the employees of the participants. Each participant's superintendent is appointed to an Administrative Committee which advises the Trustee, Huntington Bank, concerning aspects of the administration of the Trust.

Each participant decides which plans offered by the Administrative Committee will be extended to its employees. Participation in the Trust is by written application subject to acceptance by the Administrative Committee and payment of the monthly premiums. Financial information can be obtained from Karin Moone, who serves as Director, Huntington Center HC1142, Columbus, Ohio 43287.

**NOTE 22 - STATE SCHOOL FUNDING DECISION**

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school funding plan is unconstitutional.

Buckeye Valley Local School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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**NOTE 22 - STATE SCHOOL FUNDING DECISION** (continued)

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school funding scheme that is thorough and efficient...". The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

**NOTE 23 - CONTINGENT LIABILITIES**

**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, 2002.

**B. Litigation**

There are currently no matters in litigation with the School District as defendant.

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**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT**

**DELAWARE COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2002**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program		10.550	\$ -	\$ 32,226	\$ -	\$ 37,633
National School Lunch Program	LL-P1 2001 LL-P4 2001 LL-P4 2002	10.555	71,691	-	71,691	-
Special Milk Program	02 PU 2001 02 PU 2002	10.556	520	-	520	-
Total U.S. Department of Agriculture - Nutrition Cluster			<b>72,211</b>	<b>32,226</b>	<b>72,211</b>	<b>37,633</b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States (IDEA Part B)	6B SF 2001 6B SF 2002	84.027	226,394	-	211,445	-
Special Education - Preschool Grant	PG S1 2002	84.173	4,470	-	4,470	-
Total Special Education Cluster:			<b>230,864</b>	<b>-</b>	<b>215,915</b>	<b>-</b>
Grants to Local Educational Agencies (ESEA Title I)	C1 S1 2001 C1 S1 2002	84.010	107,426	-	106,221	-
Drug-Free Schools Grant	DR S1 2002	84.186	8,774	-	8,774	-
Eisenhower Professional Development State Grant	MS S1 2001 MS S1 2002	84.281	10,385	-	7,449	-
Innovative Educational Program Strategies	C2 S1 2001 C2 S1 2002	84.298	12,306	-	1,296	-
Class Size Reduction	CR S1 2002	84.340	43,355	-	43,355	-
Assistive Technology Infusion	AT S1 2002	84.352	2,127	-	1,223	-
Total Department of Education			<b>415,238</b>	<b>-</b>	<b>384,232</b>	<b>-</b>
<b>Total Federal Awards</b>			<b>\$ 487,449</b>	<b>\$ 32,226</b>	<b>\$ 456,443</b>	<b>\$ 37,633</b>

*The accompanying notes to this schedule are an integral part of this schedule.*

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT  
DELAWARE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
JUNE 30, 2002**

**A – SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B – FOOD DISTRIBUTION**

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2002, the District had no significant food commodities in inventory.



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street  
2<sup>nd</sup> Floor  
Columbus, Ohio 43215  
Telephone 614-466-3402  
800-443-9275  
Facsimile 614-728-7199  
www.auditor.state.oh.us

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

Board of Education  
Buckeye Valley Local School District  
Delaware County  
679 Coover Road  
Delaware, Ohio 43015

We have audited the general purpose financial statements of the Buckeye Valley Local School District, Delaware County, Ohio (the District) as of and for the year ended June 30, 2002, and have issued our report thereon dated December 19, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 19, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 19, 2002.

Buckeye Valley Local School District  
Delaware County  
Report on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and use of management, audit committee, 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.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**JIM PETRO**  
Auditor of State

December 19, 2002





STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street  
2<sup>nd</sup> Floor  
Columbus, Ohio 43215  
Telephone 614-466-3402  
800-443-9275  
Facsimile 614-728-7199  
www.auditor.state.oh.us

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

Board of Education  
Buckeye Valley Local School District  
Delaware County  
679 Coover Road  
Delaware, Ohio 43015

**Compliance**

We have audited the compliance of Buckeye Valley Local School District, Delaware County, Ohio (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2002. The 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 District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2002.

### Internal Control Over Compliance

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

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 management, audit committee, 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

December 19, 2002

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT  
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 §.505  
JUNE 30, 2002**

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

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	Special Education Cluster, CFDA #84.027 & CFDA #84.173
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	Yes

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT  
DELAWARE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 §.505  
JUNE 30, 2002**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status of Findings</b>
2001-10621-001	Ohio Rev. Code Section 5705.39 – appropriations exceeding estimated resources.	Partially corrected. Citation included in current year management letter.
2001-10621-002	Cellular phone charges repaid under audit.	Corrected.
2001-10621-003	Timely and Accurate Posting of Estimated Receipts	Partially corrected. Recommendation included in current year management letter.



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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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

**BUCKEYE VALLEY LOCAL SCHOOL DISTRICT**

**DELAWARE 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 13, 2003**