



**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



**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Table of Contents**

<b>Title</b>	<b>Page</b>
Report of Independent Accountants .....	1
Combined Balance Sheet - All Fund Types and Account Groups .....	4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental and Similar Fiduciary Fund Types.....	8
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Comparison (Non-GAAP Budgetary Basis) All Governmental and Similar Fiduciary Fund Types.....	10
Statement of Revenues, Expenses, and Changes in Fund Equity - Enterprise Fund .....	14
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Comparison (Non-GAAP Budgetary Basis) - Enterprise Fund .....	15
Statement of Cash Flows - Enterprise Fund .....	16
Notes to the General-Purpose Financial Statements .....	17
Schedule of Federal Awards Expenditures.....	42
Notes to the Schedule of Federal Awards Expenditures .....	44
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	45
Report of Independent Accountants on Compliance with Requirements Applicable to Major Federal Programs and Internal Control Over Compliance in Accordance with <i>OMB Circular A-133</i> .....	47
Schedule of Findings .....	49

**This page intentionally left blank.**



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One Government Center  
Suite 1420  
Toledo, Ohio 43604-2246  
Telephone 419-245-2811  
800-443-9276  
Facsimile 419-245-2484  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

Pike-Delta-York Local School District  
Fulton County  
504 Fernwood Street  
Delta, Ohio 43515-1262

To the Board of Education:

We have audited the accompanying general-purpose financial statements of Pike-Delta-York Local School District (the School 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 School District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with 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 Pike-Delta-York Local School District, Fulton County, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3 to the general purpose financial statements, the School District changed its inventory reporting method.

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

We performed our audit to form an opinion on the general-purpose financial statements of the School District, taken as a whole. The accompanying schedule of federal awards 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", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

December 19, 2002



**This page intentionally left blank.**

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Combined Balance Sheet  
All Fund Types and Account Groups  
June 30, 2002**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Assets and Other Debits:</b>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$908,964	\$103,975	\$279,309	\$2,008,373
Receivables:				
Property Taxes	3,445,047		859,059	
Accounts	24,832	2,179		
Intergovernmental	191	29,598		
Accrued Interest	16,116			
Interfund	6,000			
Prepaid Items	9,619			
Inventory Held for Resale				
Materials and Supplies Inventory	26,263			
Restricted Assets:				
Cash and Cash Equivalents with Escrow Agent				43,400
Fixed Assets (net, where applicable, of accumulated depreciation)				
<u>Other Debits:</u>				
Amount Available in Debt Service				
Fund for Retirement of General Obligation Debt				
Amount to be Provided from General Governmental Resources				
<b>Total Assets and Other Debits</b>	<b>\$4,437,032</b>	<b>\$135,752</b>	<b>\$1,138,368</b>	<b>\$2,051,773</b>

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$48,889	\$56,704			\$3,406,214
				4,304,106
50				27,061
16,294				46,083
				16,116
				6,000
606				10,225
10,577				10,577
				26,263
				43,400
49,201		\$19,778,353		19,827,554
			\$402,817	402,817
			10,978,208	10,978,208
<b>\$125,617</b>	<b>\$56,704</b>	<b>\$19,778,353</b>	<b>\$11,381,025</b>	<b>\$39,104,624</b>

(Continued)

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Combined Balance Sheet  
All Fund Types and Account Groups  
June 30, 2002  
(Continued)**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Liabilities, Fund Equity, and Other Credits:</b>				
<u>Liabilities:</u>				
Accounts Payable	\$58,823	\$1,375		\$901
Contracts Payable				126,772
Retainage Payable				57,486
Accrued Wages and Benefits Payable	1,111,699	34,176		
Compensated Absences Payable	49,190			
Intergovernmental Payable	189,666	5,104		
Interfund Payable		6,000		
Due to Students				
Deferred Revenue	2,989,319	3,256	\$735,551	
Notes Payable				
Capital Leases Payable				
General Obligation Bonds Payable				
Total Liabilities	4,398,697	49,911	735,551	185,159
<u>Fund Equity and Other Credits:</u>				
Investment in General Fixed Assets				
Retained Earnings:				
Unreserved				
Contributed Capital				
Fund Balance:				
Reserved for Materials and Supplies Inventory	26,263			
Reserved for Property Taxes	339,934		102,652	
Reserved for Bus Purchases	29,526			
Reserved for Encumbrances	109,067	5,760		327,718
Unreserved (Deficit)	(466,455)	80,081	300,165	1,538,896
Total Fund Equity and Other Credits	38,335	85,841	402,817	1,866,614
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$4,437,032</b>	<b>\$135,752</b>	<b>\$1,138,368</b>	<b>\$2,051,773</b>

*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			
				\$62,797
\$1,698				126,772
				57,486
28,979				1,174,854
10,097			\$662,263	721,550
14,554			87,920	297,244
				6,000
	\$56,420			56,420
				3,728,126
			1,350,000	1,350,000
			14,575	14,575
			9,266,267	9,266,267
55,328	56,420		11,381,025	16,862,091
		\$19,778,353		19,778,353
58,193				58,193
12,096				12,096
				26,263
				442,586
				29,526
				442,545
	284			1,452,971
70,289	284	19,778,353		22,242,533
<b>\$125,617</b>	<b>\$56,704</b>	<b>\$19,778,353</b>	<b>\$11,381,025</b>	<b>\$39,104,624</b>

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
All Governmental and Similar Fiduciary Fund Types  
For the Fiscal Year Ended June 30, 2002**

	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>
<b>Revenues:</b>		
Property Taxes	\$3,294,337	
Payment in Lieu of Taxes	1,325,112	
Intergovernmental	6,130,417	\$356,675
Interest	234,593	
Tuition and Fees	94,157	
Rent	13,272	
Extracurricular Activities		114,704
Gifts and Donations	12,742	
Miscellaneous	76,434	44,718
Total Revenues	<u>11,181,064</u>	<u>516,097</u>
<b>Expenditures:</b>		
Current:		
Instruction:		
Regular	5,447,746	102,095
Special	855,546	117,585
Vocational	130,797	
Other	2,669	
Support Services:		
Pupils	571,949	141,399
Instructional Staff	470,362	28,766
Board of Education	7,888	
Administration	899,908	29,358
Fiscal	305,415	
Business	37,777	
Operation and Maintenance of Plant	1,471,462	
Pupil Transportation	793,918	
Central	66,566	8,111
Extracurricular Activities	295,944	130,010
Capital Outlay	51,054	
Debt Service:		
Principal Retirement	7,096	
Interest and Fiscal Charges	1,477	
Total Expenditures	<u>11,417,574</u>	<u>557,324</u>
Excess of Expenditures Over Revenues	<u>(236,510)</u>	<u>(41,227)</u>
<b>Other Financing Sources (Uses):</b>		
Sale of Fixed Assets	6,013	
Proceeds of Notes		
Operating Transfers In		30,000
Operating Transfers Out	(252,139)	
Total Other Financing Sources (Uses)	<u>(246,126)</u>	<u>30,000</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(482,636)	(11,227)
Fund Balances at Beginning of Year	520,971	97,068
<b>Fund Balances at End of Year</b>	<b><u>\$38,335</u></b>	<b><u>\$85,841</u></b>

See Accompanying Notes to the General-Purpose Financial Statements

<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
\$852,665			\$4,147,002
			1,325,112
95,508	\$50,860		6,633,460
	1,468	\$12	236,073
			94,157
			13,272
			114,704
	34,577	605	47,924
			121,152
<u>948,173</u>	<u>86,905</u>	<u>617</u>	<u>12,732,856</u>
	90,307		5,640,148
			973,131
			130,797
		200	2,869
			713,348
		605	499,733
			7,888
			929,266
18,623			324,038
			37,777
			1,471,462
			793,918
			74,677
			425,954
	1,179,764		1,230,818
1,830,000			1,837,096
508,605			510,082
<u>2,357,228</u>	<u>1,270,071</u>	<u>805</u>	<u>15,603,002</u>
<u>(1,409,055)</u>	<u>(1,183,166)</u>	<u>(188)</u>	<u>(2,870,146)</u>
			6,013
1,350,000			1,350,000
	200,000		230,000
			(252,139)
<u>1,350,000</u>	<u>200,000</u>		<u>1,333,874</u>
(59,055)	(983,166)	(188)	(1,536,272)
461,872	2,849,780	472	3,930,163
<u>\$402,817</u>	<u>\$1,866,614</u>	<u>\$284</u>	<u>\$2,393,891</u>

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual Comparison (Non-GAAP Budgetary Basis)  
All Governmental and Similar Fiduciary Fund Types  
For the Fiscal Year Ended June 30, 2002**

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Property Taxes	\$3,259,134	\$3,155,568	(\$103,566)
Payment in Lieu of Taxes	931,498	1,325,620	394,122
Intergovernmental	6,038,976	6,130,417	91,441
Interest	387,924	221,645	(166,279)
Tuition and Fees	144,367	109,829	(34,538)
Rent	8,000	13,261	5,261
Extracurricular Activities			
Gifts and Donations	25,000	12,742	(12,258)
Miscellaneous	50,000	54,030	4,030
Total Revenues	10,844,899	11,023,112	178,213
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	5,411,015	5,413,724	(2,709)
Special	1,099,981	873,063	226,918
Vocational	141,346	123,897	17,449
Other	84,046	2,669	81,377
Support Services:			
Pupils	615,351	580,141	35,210
Instructional Staff	473,189	458,743	14,446
Board of Education	10,653	8,870	1,783
Administration	938,152	908,031	30,121
Fiscal	318,741	300,193	18,548
Business	36,224	37,777	(1,553)
Operation and Maintenance of Plant	1,492,889	1,470,821	22,068
Pupil Transportation	848,681	896,953	(48,272)
Central	81,100	70,818	10,282
Extracurricular Activities	241,159	293,729	(52,570)
Non-Instructional Services	9,100		9,100
Capital Outlay	20,000	51,054	(31,054)
Debt Service:			
Principal Retirement			
Interest and Fiscal Charges			
Total Expenditures	11,821,627	11,490,483	331,144
Excess of Expenditures Over Revenues	(976,728)	(467,371)	509,357
<b>Other Financing Sources (Uses):</b>			
Refund of Prior Year Expenditures	2,000	25,917	23,917
Other Financing Sources	500	693	193
Sale of Fixed Assets	25,000	6,013	(18,987)
Proceeds of Notes			
Operating Transfers In			
Operating Transfers Out	(255,000)	(252,139)	2,861
Advances In	9,324	9,324	
Advances Out	(6,000)	(6,000)	
Total Other Financing Sources (Uses)	(224,176)	(216,192)	7,984
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,200,904)	(683,563)	517,341
Fund Balances at Beginning of Year	1,186,960	1,186,960	
Prior Year Encumbrances Appropriated	227,172	227,172	
<b>Fund Balances at End of Year</b>	<b>\$213,228</b>	<b>\$730,569</b>	<b>\$517,341</b>



Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
			\$819,939	\$816,978	(\$2,961)
\$368,563	\$340,386	(\$28,177)	95,955	95,508	(447)
148,305	115,051	(33,254)			
47,800	43,799	(4,001)			
564,668	499,236	(65,432)	915,894	912,486	(3,408)
111,353	92,457	18,896			
119,395	98,768	20,627			
141,928	139,601	2,327			
27,908	22,671	5,237			
40,203	30,335	9,868	18,000	18,623	(623)
8,111	8,111				
154,983	135,095	19,888			
			1,820,000	1,830,000	(10,000)
			520,044	508,605	11,439
603,881	527,038	76,843	2,358,044	2,357,228	816
(39,213)	(27,802)	11,411	(1,442,150)	(1,444,742)	(2,592)
			1,350,000	1,350,000	
8,162	30,000	21,838			
5,000	6,000	1,000			
13,162	36,000	22,838	1,350,000	1,350,000	
(26,051)	8,198	34,249	(92,150)	(94,742)	(2,592)
65,700	65,700		374,051	374,051	
23,907	23,907				
<b>\$63,556</b>	<b>\$97,805</b>	<b>\$34,249</b>	<b>\$281,901</b>	<b>\$279,309</b>	<b>(\$2,592)</b>

(Continued)

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual Comparison (Non-GAAP Budgetary Basis)  
All Governmental and Similar Fiduciary Fund Types  
For the Fiscal Year Ended June 30, 2002  
(Continued)**

	<b>Capital Projects Funds</b>		
	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues:</b>			
Property Taxes			
Payment in Lieu of Taxes			
Intergovernmental	\$60,184	\$60,184	
Interest	1,750	1,468	(\$282)
Tuition and Fees			
Rent			
Extracurricular Activities			
Gifts and Donations		34,577	34,577
Miscellaneous			
Total Revenues	<u>61,934</u>	<u>96,229</u>	<u>34,295</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	1,166,442	238,606	927,836
Special			
Vocational		3,136	(3,136)
Other			
Support Services:			
Pupils			
Instructional Staff			
Board of Education			
Administration			
Fiscal			
Business			
Operation and Maintenance of Plant			
Pupil Transportation	50,000	15,965	34,035
Central			
Extracurricular Activities			
Non-Instructional Services			
Capital Outlay	1,265,620	1,341,746	(76,126)
Debt Service:			
Principal Retirement			
Interest and Fiscal Charges			
Total Expenditures	<u>2,482,062</u>	<u>1,599,453</u>	<u>882,609</u>
Excess of Expenditures Over Revenues	<u>(2,420,128)</u>	<u>(1,503,224)</u>	<u>916,904</u>
<b>Other Financing Sources (Uses):</b>			
Refund of Prior Year Expenditures			
Other Financing Sources			
Sale of Fixed Assets			
Proceeds of Notes			
Operating Transfers In		200,000	200,000
Operating Transfers Out			
Advances In			
Advances Out	(9,324)	(9,324)	
Total Other Financing Sources (Uses)	<u>(9,324)</u>	<u>190,676</u>	<u>200,000</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,429,452)	(1,312,548)	1,116,904
Fund Balances at Beginning of Year	2,356,469	2,356,469	
Prior Year Encumbrances Appropriated	509,061	509,061	
<b>Fund Balances at End of Year</b>	<b><u>\$436,078</u></b>	<b><u>\$1,552,982</u></b>	<b><u>\$1,116,904</u></b>

See Accompanying Notes to the General-Purpose Financial Statements

Expendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
			\$4,079,073	\$3,972,546	(\$106,527)
			931,498	1,325,620	394,122
			6,563,678	6,626,495	62,817
\$70	\$12	(\$58)	389,744	223,125	(166,619)
			144,367	109,829	(34,538)
			8,000	13,261	5,261
			148,305	115,051	(33,254)
605	605		25,605	47,924	22,319
			97,800	97,829	29
675	617	(58)	12,388,070	12,531,680	143,610
			6,688,810	5,744,787	944,023
			1,219,376	971,831	247,545
			141,346	127,033	14,313
400	200	200	84,446	2,869	81,577
			757,279	719,742	37,537
605	605		501,702	482,019	19,683
			10,653	8,870	1,783
			978,355	938,366	39,989
			336,741	318,816	17,925
			36,224	37,777	(1,553)
			1,492,889	1,470,821	22,068
			898,681	912,918	(14,237)
			89,211	78,929	10,282
			396,142	428,824	(32,682)
			9,100	9,100	
			1,285,620	1,392,800	(107,180)
			1,820,000	1,830,000	(10,000)
			520,044	508,605	11,439
1,005	805	200	17,266,619	15,975,007	1,291,612
(330)	(188)	142	(4,878,549)	(3,443,327)	1,435,222
			2,000	25,917	23,917
			500	693	193
			25,000	6,013	(18,987)
			1,350,000	1,350,000	
			8,162	230,000	221,838
			(255,000)	(252,139)	2,861
			14,324	15,324	1,000
			(15,324)	(15,324)	
			1,129,662	1,360,484	230,822
(330)	(188)	142	(3,748,887)	(2,082,843)	1,666,044
472	472		3,983,652	3,983,652	
			760,140	760,140	
<b>\$142</b>	<b>\$284</b>	<b>\$142</b>	<b>\$994,905</b>	<b>\$2,660,949</b>	<b>\$1,666,044</b>

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Statement of Revenues, Expenses and Changes in Fund Equity  
Enterprise Fund  
For the Fiscal Year Ended June 30, 2002**

<b>Operating Revenues:</b>	
Sales	\$319,712
<b>Operating Expenses:</b>	
Salaries	151,709
Fringe Benefits	70,805
Purchased Services	17,680
Materials and Supplies	17,139
Cost of Sales	210,572
Depreciation	1,933
Total Operating Expenses	469,838
Operating Loss	(150,126)
<b>Non-Operating Revenues:</b>	
Federal Donated Commodities	40,229
Operating Grants	129,714
Interest	811
Total Non-Operating Revenues	170,754
Income Before Operating Transfers	20,628
Operating Transfers In	22,139
Net Income	42,767
Retained Earnings at Beginning of Year (Restated Note 3)	15,426
Retained Earnings at End of Year	58,193
Contributed Capital at Beginning	2,731
Contributed from Other Funds	9,365
Contributed Capital at End of Year	12,096
<b>Total Fund Equity at End of Year</b>	<b>\$70,289</b>

*See Accompanying Notes to the General-Purpose Financial Statements*

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual Comparison (Non-GAAP Budgetary Basis)  
Enterprise Fund  
For the Fiscal Year Ended June 30, 2002**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Sales	\$322,543	\$319,389	(\$3,154)
Operating Grants	131,827	128,112	(3,715)
Interest	1,500	811	(689)
	<u>455,870</u>	<u>448,312</u>	<u>(7,558)</u>
<b>Expenses:</b>			
Salaries	181,897	165,373	16,524
Fringe Benefits	68,776	63,932	4,844
Purchased Services	27,100	18,352	8,748
Materials and Supplies	190,000	190,027	(27)
Capital Outlay		1,342	(1,342)
	<u>467,773</u>	<u>439,026</u>	<u>28,747</u>
Excess of Revenues Over (Under) Expenses	(11,903)	9,286	21,189
Operating Transfers In	22,139	22,139	
	<u>10,236</u>	<u>31,425</u>	<u>21,189</u>
Excess of Revenues Over Expenses and Transfers	10,236	31,425	21,189
Fund Balances (Deficit) at Beginning of Year	(2,433)	(2,433)	
Prior Year Encumbrances Appropriated	12,197	12,197	
	<u>20,000</u>	<u>41,189</u>	<u>21,189</u>
<b>Fund Balances at End of Year</b>	<b><u>20,000</u></b>	<b><u>41,189</u></b>	<b><u>21,189</u></b>

*See Accompanying Notes to the General-Purpose Financial Statements*

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Statement of Cash Flows  
Enterprise Fund  
For the Fiscal Year Ended June 30, 2002**

**Increase (Decrease) in Cash and Cash Equivalents**

<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$319,389
Cash Payments for Salaries	(165,373)
Cash Payments for Fringe Benefits	(63,932)
Cash Payments for Goods and Services	<u>(202,021)</u>
Net Cash Used for Operating Activities	<u>(111,937)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>	
Cash Received from Operating Grants	128,112
Cash Received from Operating Transfers In	<u>22,139</u>
Net Cash Provided by Noncapital Financing Activities	<u>150,251</u>
<u>Cash Flows from Investing Activities:</u>	
Cash Received from Interest	<u>811</u>
Net Increase in Cash and Cash Equivalents	39,125
Cash and Cash Equivalents at Beginning of Year	<u>9,764</u>
<b>Cash and Cash Equivalents at End of Year</b>	<b><u><u>\$48,889</u></u></b>

**Reconciliation of Operating Loss to Net Cash Used for Operating Activities:**

Operating Loss	(\$150,126)
<u>Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:</u>	
Depreciation	1,933
Donated Commodities Received During Year	40,229
<u>Changes in Assets and Liabilities:</u>	
Increase in Accounts Receivable	(50)
Increase in Intergovernmental Receivable	(273)
Increase in Prepaid Items	(2)
Decrease in Inventory Held for Resale	2,283
Increase in Accounts Payable	860
Decrease in Accrued Wages and Benefits Payable	(463)
Decrease in Compensated Absences Payable	(3,183)
Decrease in Intergovernmental Payable	<u>(3,145)</u>
<b>Net Cash Used for Operating Activities</b>	<b><u><u>(\$111,937)</u></u></b>

**Non-Cash Transactions:**

During fiscal year 2002, the Permanent Improvement capital projects fund contributed fixed assets, in the amount of \$9,365, to the Food Service enterprise fund.

During fiscal year 2002, the School District received donated commodities in the Food Service enterprise fund, in the amount of \$40,229.

*See Accompanying Notes to the General-Purpose Financial Statements*

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002**

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

Pike-Delta-York 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 1966 through the consolidation of existing land areas and school districts. The School District serves an area of approximately seventy-three square miles. It is located in Fulton County, and includes all of the Village of Delta and portions of Fulton, Pike, Swancreek, and York Townships. The School District is the 334th largest in the State of Ohio (among 613 school districts) in terms of enrollment. It is staffed by sixty-eight classified employees, one hundred one certified teaching personnel, and eleven administrative employees who provide services to 1,406 students and other community members. The School District currently operates four instructional buildings, 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 Pike-Delta-York Local School District, this includes general operations, food service, and student related activities of the School District.

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

The School District participates in four jointly governed organizations, three insurance pools, and is associated with a related organization. These organizations are the Northwest Ohio Computer Association, the Northern Buckeye Education Council, the Four County Career Center, the Northwestern Ohio Educational Research Council, Inc., the Ohio School Plan, the Northern Buckeye Education Council Employee Insurance Benefits Program, the Northern Buckeye Education Council Workers' Compensation Group Rating Plan, and the Delta Public Library. These organizations are presented in Notes 19, 20, and 21 to the general purpose financial statements.

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

The financial statements of Pike-Delta-York 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

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002  
(Continued)**

enterprise fund 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).

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 Fund - The enterprise fund is 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



**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002  
(Continued)**

(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 an expendable trust fund and an agency fund. The expendable trust fund is accounted for in essentially the same manner as governmental funds. The agency fund is custodial in nature (assets equal liabilities) and does 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 the expendable trust fund 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 enterprise fund is accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. The operating statement of this fund presents increases (e.g., revenues) and decreases (e.g., expenses) in total net assets.

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

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

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002  
(Continued)**

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, 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 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, grants, interest, tuition, student fees, and rent.

Deferred revenues arise when assets are recognized before revenue recognition criteria have 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 a 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 the governmental funds.

**C. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level within the General Fund and 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 level in the General Fund and the function and object level within all other funds are made by the School District Treasurer.

A portion of the Eisenhower and Preschool Handicap special revenue funds are flow through grants in which the Northwest Ohio Educational Service Center is the primary recipient. Budgetary information for

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002  
(Continued)**

these funds is not included within the School District's reporting entity for which the "appropriated budget" is adopted.

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 Fulton 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.

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 appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any legal 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, except agency funds and funds held by the Northwest Ohio Educational Service Center, 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

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002  
(Continued)**

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 the expendable trust fund and reported in the notes to the financial statements for the enterprise funds.

**Lapsing of Appropriations**

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

**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.

Cash and cash equivalents held for the School District by the Farmers and Merchants State Bank, who maintains the School District's escrow accounts, are presented on the combined balance sheet as "Cash and Cash Equivalents with Escrow Agents".

During fiscal year 2002, investments included federal agency securities and STAR Ohio. Federal agency securities are reported at fair value, which is based on quoted market prices. 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 \$234,593, which included \$144,028 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 reported in the year in which services are consumed.

**F. Inventory**

Inventory is stated at the lower of cost or market on a first-in, first-out basis and is expensed when used. Inventory in the governmental funds consists of administrative supplies and in the enterprise fund of donated and purchased food.

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002  
(Continued)**

**G. Restricted Assets**

Restricted assets in the capital projects funds represent amounts required for the payment of retainage on construction projects upon completion.

**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 enterprise fund are capitalized in the 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 five thousand dollars. The School District does not have any infrastructure.

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

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the enterprise fund 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. Sick leave benefits are accrued as a liability using the termination method. An accrual for sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

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 the enterprise fund, 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 made more than sixty days after fiscal year end are considered not to have used current available expendable resources. Long-term notes, capital leases, and bonds are reported as liabilities in the general long-term obligations account group until due.

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002  
(Continued)**

Long-term debt and other obligations financed by the enterprise fund are reported as liabilities in the fund.

**L. Contributed Capital**

Contributed capital represents resources from other funds, other governments, and private sources provided to the enterprise fund 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.

Capital contributions received from other governments and private sources subsequent to fiscal year 2000 are recorded as revenues and reported as retained earnings.

**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 purchases, materials and supplies inventories, 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.

**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 or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002  
(Continued)**

**NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLE**

For fiscal year 2002, the School District is recognizing donated commodities as revenue when they are received. In prior years, the School District reported donated commodities as revenue when used. For the enterprise fund, retained earnings increased \$8,360 from \$7,066 to \$15,426.

**NOTE 4 - ACCOUNTABILITY**

At June 30, 2002, the Eisenhower, Title I, Drug Free, and Title VI-R special revenue funds had deficit fund balances, in the amount of \$27, \$31,667, \$1,525, and \$2,916, respectively. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**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 Fund and the Statement of Revenues, Expenses, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - Enterprise 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).
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 the governmental fund types and expendable trust fund and as note disclosure in the enterprise fund (GAAP basis).
4. Although not part of the appropriated budget, the portion of the Eisenhower and Preschool Handicap special revenue funds held by the Northwest Ohio Educational Service Center are included as part of the reporting entity when preparing financial statements that conform with GAAP.

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type.

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002  
(Continued)**

Excess of Revenues and Other Financing Sources Over  
(Under) Expenditures and Other Financing Uses  
All Governmental Fund Types

	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	(\$482,636)	(\$11,227)	(\$59,055)	(\$983,166)
<u>Increase (Decrease) Due To</u>				
Revenue Accruals:				
Accrued FY 2001, Received in Cash FY 2002	414,508	11,660	87,821	9,324
Accrued FY 2002, Not Yet Received in Cash	(496,867)	(28,521)	(123,508)	
Expenditure Accruals:				
Accrued FY 2001, Paid in Cash FY 2002	(1,335,002)	(10,050)		(15,750)
Accrued FY 2002, Not Yet Paid in Cash	1,409,378	40,655		141,759
Cash Adjustments:				
Unrecorded Activity FY 2001	(13,544)			
Unrecorded Activity FY 2002	(35,439)			
Prepaid Items	(2,113)			
Materials and Supplies Inventory	(2,216)			
Advances In	9,324	6,000		
Advances Out	(6,000)			(9,324)
Excess of Revenues Under Expenditures for Nonbudgeted Funds		5,851		
Encumbrances Outstanding at Fiscal Year End (Budget Basis)	(142,956)	(6,170)		(455,391)
Budget Basis	<u>(\$683,563)</u>	<u>\$8,198</u>	<u>(\$94,742)</u>	<u>(\$1,312,548)</u>

Net Income/Excess of Revenues Over Expenses and Transfers  
Enterprise Fund

GAAP Basis	\$42,767
<u>Increase (Decrease) Due To</u>	
Revenue Accruals:	
Accrued FY 2001, Received in Cash FY 2002	14,419
Accrued FY 2002, Not Yet Received in Cash	(16,344)
Expense Accruals:	
Accrued FY 2001, Paid in Cash FY 2002	(61,259)
Accrued FY 2002, Not Yet Paid in Cash	55,328
Prepaid Items	(2)
Inventory Held for Resale	2,283
Depreciation Expense	1,933
Encumbrances Outstanding at Fiscal Year End (Budget Basis)	<u>(7,700)</u>
Budget Basis	<u>\$31,425</u>



**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002  
(Continued)**

**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.

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 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 deposited or 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;
6. The State Treasurer's investment pool (STAR Ohio);

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002  
(Continued)**

7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date and in an amount not to exceed 25 percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rated classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the 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.

At fiscal year end, the School District had \$2,160 in undeposited cash on hand which is included on the combined 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 \$20,613 and the bank balance was \$331,551. Of the bank balance, \$174,463 was covered by federal depository insurance and \$157,088 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. Included in the School District's deposits was \$6,210 held by UBS PaineWebber for future investment. This entire amount was covered by SIPC insurance.

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 the School District's 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 2	Fair Value
Federal National Mortgage Association Notes	\$1,854,419	\$1,854,419
Federal National Mortgage Association Bonds	300,048	300,048
Federal Home Loan Bank Bonds	1,000,063	1,000,063
	<u>\$3,154,530</u>	3,154,530
STAR Ohio		272,311
Total		<u>\$3,426,841</u>

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002  
(Continued)**

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 Nonexpendable 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	\$3,449,614	
Cash on Hand	(2,160)	
Investments:		
Federal National Mortgage Association Notes	(1,854,419)	\$1,854,419
Federal National Mortgage Association Bonds	(300,048)	300,048
Federal Home Loan Bank Bonds	(1,000,063)	1,000,063
STAR Ohio	(272,311)	272,311
	\$20,613	\$3,426,841
GASB Statement No. 3		

**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 for 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 for 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.

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002  
(Continued)**

The School District receives property taxes from Fulton County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County 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 year end. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2002, was \$339,934 in the General Fund and \$102,652 in the Bond Retirement debt service fund. The amount available as an advance at June 30, 2001, was \$260,640 in the General Fund and \$65,496 in the Bond Retirement debt service fund.

The late tax settlement made by the County for fiscal year 2002 was \$135,268 in the General Fund and \$20,856 in the Bond Retirement debt service fund. For fiscal year 2001, these amounts were \$75,793 in the General Fund and \$22,325 in the Bond Retirement debt service 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	\$90,711,660	69.33%	\$92,509,710	72.42%
Industrial/Commercial	11,172,910	8.54%	11,265,920	8.82%
Public Utility	13,282,050	10.15%	9,628,220	7.53%
Tangible Personal	15,675,430	11.98%	14,343,440	11.23%
Total Assessed Value	<u>\$130,842,050</u>	<u>100.00%</u>	<u>\$127,747,290</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	<u>\$53.40</u>		<u>\$53.40</u>	

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2002, consisted of property taxes, accounts (student fees, billings for user charged services, and rent), intergovernmental, accrued interest and interfund receivables. 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. Accounts receivable at June 30 were \$27,061.

A summary of the principal items of intergovernmental receivables follows:

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002  
(Continued)**

	Amounts
General Fund	
Tuition	\$191
Special Revenue Funds	
Eisenhower	856
Title VI-B	1,440
Title VI	26,342
Title VI-R	960
Total Special Revenue Funds	29,789
Enterprise Fund	
Food Service	
Lunch Program	16,023
Headstart	242
Special Milk Program	29
Total Enterprise Fund	16,294
Total Intergovernmental Receivables	\$46,083

**NOTE 9 - FIXED ASSETS**

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

	Enterprise
Furniture and Equipment	\$85,675
Less Accumulated Depreciation	(36,474)
Net Fixed Assets	\$49,201

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

Asset Category	Balance at 6/30/01	Additions	Reductions	Balance at 6/30/02
Land and Improvements	\$1,152,954		\$15,876	\$1,137,078
Buildings and Improvements	15,328,570	\$251,140	12,300	15,567,410
Furniture, Fixtures, and Equipment	1,073,936	632,712	101,997	1,604,651
Vehicles	1,251,511	182,097	150,833	1,282,775
Construction in Progress	381,748	186,439	381,748	186,439
Total	\$19,188,719	\$1,252,388	\$662,754	\$19,778,353

**NOTE 10 - INTERFUND ASSETS/LIABILITIES**

At June 30, 2002, the General Fund had an interfund receivable and the Title I special revenue fund had an interfund payable, in the amount of \$6,000.

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002  
(Continued)**

**NOTE 11 - 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 Selective Insurance Company of South Carolina is as follows:

Building and Contents - replacement cost (\$1,000 deductible)	\$42,927,391
Extra Expense	150,000
Inland Marine Coverage	1,112,867
Employee Dishonesty Bond	50,000
Vehicle Liability (combined single limit)	2,000,000
Medical Payments - per person	5,000
Uninsured/Underinsured Motorists	1,000,000

Coverage provided by Ohio School Plan is as follows:

General Liability	
Per occurrence	1,000,000
Total per year	3,000,000

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. The Plan makes a variety of insurance programs available to the members as well as administrative services of underwriting and claims and risk management. Each member determines the insurance programs in which it wants to participate and is responsible for payment of the related premiums. Membership is made upon the execution of an acknowledgment of membership and an enrollment fee is included in the annual premium for each member.

The School District participates in the Northern Buckeye Education Council Employee Insurance Benefits Program (Program), a public entity shared risk pool consisting of educational entities within Defiance, Fulton, Henry, Lucas, Williams, and Wood Counties. The School District pays monthly premiums to the Northern Buckeye Education Council for the benefits offered to its employees including medical, dental, and life insurance. The Northern Buckeye Education Council is responsible for the management and operations of the Program. The agreement for the Program provides for additional assessments to all participants if the premiums are insufficient to pay the program costs for the fiscal year. Upon withdrawal from the Program, a participant is responsible for any claims not processed and paid and any related administrative costs.

The School District participates in the Northern Buckeye Education Council Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. The Plan is intended to reduce premiums for the participants. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. Participation in the Plan is limited to entities that can meet the Plan's selection criteria. Each participant must apply annually. The Plan provides the participants with a centralized program for the processing, analysis, and management of workers' compensation claims and a risk management program to assist in developing safer work environments. Each participant must pay its premiums, enrollment or other fees, and performs its obligations in accordance with the terms of the agreement.

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002  
(Continued)**

**NOTE 12 - CONTRACTUAL COMMITMENTS**

At June 30, 2002, the School District had the following contractual commitments:

<u>Company</u>	<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid to Date</u>	<u>Remaining Balance</u>
Brooks Contracting, Inc.	High School	\$2,708,405	\$2,672,335	\$36,070
Stanford E. Thal, Inc.	Track and Softball Field	365,558	362,475	3,083
Fred Christen and Sons Co.	High School Roof	359,129		359,129
Cardinal Bus Sales	School Bus	119,572		119,572

**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.

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 \$486,894, \$450,604, and \$269,052, 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 \$82,745, 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

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002  
(Continued)**

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 \$83,814, \$58,658, and \$67,367, respectively; 47 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 \$44,357, 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, one of the Board of Education members has 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.

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds 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 equaled \$230,634.

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 \$154,435 for fiscal year 2002.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2001 (the latest information available), were \$161,439,934, and the target level was \$242.2 million. At June 30, 2001,



**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002  
(Continued)**

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 are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Up to five days of unused vacation may be carried forward to the succeeding fiscal year or the employee can take a lump sum payment at their regular daily wage. Unused vacation in excess of five days cannot be carried forward to the succeeding fiscal year. 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. Sick leave may be accumulated up to a maximum of two hundred thirteen days for classified employees and two hundred eight days for certified employees. Upon retirement, payment is made for three-eighths of accrued, but unused sick leave credit to a maximum of sixty-two days for classified employees and fifty-three days for certified employees. An additional payment of \$75 per day, up to a maximum of \$1,500, is paid to certified employees for any days in excess of the maximum fifty-three days. Each certified employee also receives an additional payment of \$75 per day for the remainder of forty-five days less the number of sick days used by the employee during the prior three years.

**B. Health Care Benefits**

The School District provides medical, dental, and life insurance to most employees through the Northern Buckeye Education Council Employee Insurance Benefits Program.

**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. Capital lease payments have been reclassified and are reflected as debt service expenditures on the combined financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

General fixed assets consisting of equipment have been capitalized in the general fixed assets account group, in the amount of \$38,907. 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 \$7,096 in the governmental funds.

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

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002  
(Continued)**

<u>Fiscal Year Ending June 30,</u>	<u>GLTOAG</u>
2003	\$8,573
2004	7,146
Total	15,719
Less Amount Representing Interest	(1,144)
Present Value of Minimum Lease Payments	<u>\$14,575</u>

**NOTE 17 - LONG-TERM OBLIGATIONS**

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

	<u>Interest Rate</u>	<u>Balance at 6/30/01</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at 6/30/02</u>
Notes Payable	2.54%	\$1,650,000	\$1,350,000	\$1,650,000	\$1,350,000
<u>General Obligation Bonds</u>					
FY98 School Improvement Bonds					
Serial Bonds	4 - 4.95	4,460,000		180,000	4,280,000
Term Bonds	5.1	4,420,000			4,420,000
Capital Appreciation Bonds	5.05 - 5.1	481,109	85,158		566,267
Total General Obligation Bonds		9,361,109	85,158	180,000	9,266,267
<u>Other Long-Term Obligations</u>					
Compensated Absences Payable		540,474	121,789		662,263
Intergovernmental Payable		72,216	87,920	72,216	87,920
Capital Leases Payable		21,671		7,096	14,575
Total Other Long-Term Obligations		634,361	209,709	79,312	764,758
Total General Long-Term Obligations		<u>\$11,645,470</u>	<u>\$1,644,867</u>	<u>\$1,909,312</u>	<u>\$11,381,025</u>

Notes Payable - On December 13, 2001, the School District issued bond anticipation notes, in the amount of \$1,350,000, to retire notes previously issued for the construction of a new middle school and improvements to other School District buildings. The notes were issued under the authority of Ohio Revised Code § 133.18. The notes have an interest rate of 2.54 percent and mature on December 12, 2002.

FY98 School Improvement Bonds - On May 1, 1998, the School District issued \$9,549,783 in voted general obligation bonds for the construction of a middle school and improvements to other School District buildings. The bond issue included serial, term, and capital appreciation bonds, in the amount of \$4,920,000, \$4,420,000, and \$209,783, respectively. The bonds were issued for a twenty-two year period, with final maturity during fiscal year 2020. The bonds will be retired through the Bond Retirement debt service fund with voted property tax revenues.

The term bonds maturing on December 1, 2019, are subject to mandatory sinking fund redemption, in part by lot, pursuant to the terms of the mandatory sinking fund redemption requirements of the School District. The mandatory redemption is to occur on December 1 in each of the years 2015 through 2018 (with the balance of \$885,000 to be paid at stated maturity on December 1, 2019), at a redemption price

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002  
(Continued)**

equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

Year	Amount
2015	\$815,000
2016	850,000
2017	910,000
2018	960,000

Term bonds redeemed by other than mandatory redemption, or purchased for cancellation, may be credited against the applicable mandatory redemption requirement.

Serial bonds maturing on and after December 1, 2009, are also subject to prior redemption on or after December 1, 2008, by and at the sole option of the School District, either in whole on any date or in part on any interest payment date and in integral multiples of \$5,000, at the following redemption prices (expressed as percentages of the principal amount redeemed), plus accrued interest to the redemption date, according to the following schedule:

Redemption Dates (Dates Inclusive)	Redemption Prices
December 1, 2008 through November 30, 2009	101.0%
December 1, 2009 through November 30, 2010	100.5%
December 1, 2010 and thereafter	100.0%

The capital appreciation bonds are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years 2011 and 2012. The maturity amount of the bonds is \$1,375,000. For fiscal year 2001, \$85,158 was accreted for a total bond value of \$566,267 at fiscal year end.

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 \$1,283,806 with an unvoted debt margin of \$127,747 at June 30, 2002.

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

Fiscal Year Ending June 30,	General Obligation Bonds			Interest	Total Obligation
	Serial	Term	Capital Appreciation		
2003	\$200,000			\$420,463	\$620,463
2004	120,000			413,472	533,472
2005	260,000			405,047	665,047
2006	280,000			392,962	672,962
2007	345,000			378,814	723,814
2008-2012	1,625,000		\$675,000	1,641,705	3,941,705
2013-2017	1,450,000	\$1,665,000	700,000	1,186,290	5,001,290
2018-2020		2,755,000		209,483	2,964,483
<b>Total</b>	<b>\$4,280,000</b>	<b>\$4,420,000</b>	<b>\$1,375,000</b>	<b>\$5,048,236</b>	<b>\$15,123,236</b>

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002  
(Continued)**

**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. In prior years, the School District was also required to set aside money for budget stabilization.

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

	Textbooks	Capital Improvements	Budget Stabilization
Balance June 30, 2001	(\$234,838)		\$35,373
Current Year Set Aside Requirement	187,679	\$187,679	
Current Year Offsets		(187,679)	
Qualifying Expenditures	(233,223)		(35,373)
Balance June 30, 2002	(\$280,382)		
Balance Carried Forward to Fiscal Year 2003	(\$280,382)		

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 of future fiscal years.

**NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS**

**A. Northwest Ohio Computer Association**

The School District is a participant in the Northwest Ohio Computer Association (NWOCA), which is a computer consortium. NWOCA is an association of educational entities within the boundaries of Defiance, Fulton, Henry, Lucas, Williams, and Wood 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 educational entities.

The NWOCA Assembly consists of a superintendent from each participating educational entity and a representative from the fiscal agent. The Assembly elects the governing council of two representatives from each of the six counties in which member educational entities are located and the representative from the member educational entity serving as fiscal agent for NWOCA. The degree of control exercised by any participating educational entity is limited to its representation on the Governing Council. During fiscal year 2002, the School District paid \$173,882 to NWOCA for various services. Financial information can be obtained from Cindy Siler, who serves as Treasurer, 22-900 State Route 34, Archbold, Ohio 43502.

**B. Northern Buckeye Education Council**

The Northern Buckeye Education Council (NBEC) was established in 1979 to foster cooperation among educational entities located in Defiance, Fulton, Henry, Lucas, Williams, and Wood Counties. NBEC is

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002  
(Continued)**

organized under Ohio laws as a regional council of governments pursuant to a written agreement entered into by its member educational entities and bylaws adopted by the representatives of the member educational entities. NBEC is governed by an elected board consisting of two representatives from each of the six counties in which the member educational entities are located. The Board is elected from an assembly consisting of a representative from each participating educational entity. Financial information can be obtained from the Northern Buckeye Education Council, Cindy Siler, who serves as Treasurer, 22-900 State Route 34, Archbold, Ohio 43502.

**C. Four County Career Center**

The Four County Career Center (Career Center) is a distinct political subdivision of the State of Ohio which provides vocational education to students. The Career Center is operated under the direction of a board consisting of five representatives from the Northwest Ohio Educational Service Center and one representative from the participating school districts elected boards. The degree of control exercised by the School District is limited to its representation on the Board. The Career Center possesses its own budgeting and taxing authority. Financial information can be obtained from the Four County Career Center, Lois Knuth, who serves as Treasurer, Route 1, Box 245A, Archbold, Ohio 43502.

**D. Northwestern Ohio Educational Research Council, Inc.**

The Northwestern Ohio Educational Research Council, Inc. (NOERC) is a jointly governed organization formed to bring educational entities into a better understanding of their common educational problems, facilitate and conduct practical educational research, coordinate educational research among members, provide a means for evaluating and disseminating the results of research, serve as a repository for research and legislative materials, and provide opportunities for training. The NOERC serves a twenty-five county area in Northwest Ohio. The Board of Directors consists of superintendents from two educational service centers, two exempted village school districts, five local school districts, and five city school districts, as well as representatives from two private or parochial schools and three institutions of higher education. Each active member is entitled to one vote on all issues addressed by the Board of Directors. Financial information can be obtained from the Northwestern Ohio Educational Research Council, Inc., Box 456, Ashland, Ohio 44805.

**NOTE 20 - 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. Each participant determines the programs offered by the Plan in which it will participate. Participation is by written acknowledgment of membership and payment of premiums. Financial information can be obtained from Harcum-Hyre Insurance Agency, 246 East Sycamore Street, Columbus, Ohio 43206.

**B. Northern Buckeye Education Council Employee Insurance Benefits Program**

The Northern Buckeye Education Council Employee Insurance Benefits Program (Program) is a public entity shared risk pool consisting of educational entities within Defiance, Fulton, Henry, Lucas, Williams, and Wood Counties. The Program is governed by the Northern Buckeye Education Council (NBEC) and its participating members.

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002  
(Continued)**

**C. Northern Buckeye Education Council 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 Northern Buckeye Education Council Workers' Compensation Group Rating Plan (Plan) was established through the Northern Buckeye Education Council (NBEC) as an insurance purchasing pool. The Plan is governed by the Northern Buckeye Education Council and the participants of the Plan. The Executive Director of the NBEC coordinates the management and administration of the Plan. Each year, the participants pay an enrollment fee to the Plan to cover the costs of administering the program.

**NOTE 21 - RELATED ORGANIZATION**

**Delta Public Library**

The Delta Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Pike-Delta-York Board of Education. The Board of Trustees possesses its own budgeting and contracting authority, hires and fires personnel, and does not depend on the School District for operational subsidies. Although the School District serves as the taxing authority, its role is limited to a ministerial function. The determination to request approval of a tax, the rate, and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Delta Public Library, Sandra McCullough, Clerk/Treasurer, 402 Main Street, Delta, Ohio 43515.

**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.

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 - CONTINGENCIES**

**A. Grants**

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are 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.

**This page intentionally left blank.**

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Schedule of Federal Awards Expenditures  
For the Year Ended June 30, 2002**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
<i>Passed Through Ohio Department of Education:</i>		
<u>Nutrition Cluster:</u>		
Food Donation Program		10.550
School Breakfast Program		10.553
National School Lunch Program		10.555
Special Milk Program		10.556
Total U.S. Department of Agriculture - Nutrition Cluster		
<b>U.S. DEPARTMENT OF EDUCATION</b>		
<i>Passed Through Ohio Department of Education:</i>		
Grants to Local Educational Agencies (ESEA Title I) Total Title I Grant	047084-C1-S1-2001 047084-C1-S1-2002	84.010
Safe and Drug Free Schools (Title IV)	047084-DR-S1-2002	84.186
Goals 2000-State and Local Education Systemic Improvement Grant	047084-QE-S1-2002	84.276
Eisenhower Professional Development Grant (Title II) Total Title II Grant	047084-MS-S1-2001 047084-MS-S1-2002	84.281
Innovative Education Program Strategies (Title VI) Total Title VI Grant	047084-C2-S1-2001 047084-C2-S1-2002	84.298
Class Size Reduction (Title VI-R) Total Title VI-R Grant	047084-CR-S1-2001 047084-CR-S1-2002	84.340

Total Department of Education

**Total Federal Schedule of Federal Awards Expenditures**

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



<u>Receipts</u>	<u>Non-Cash Receipts</u>	<u>Disbursements</u>	<u>Non-Cash Disbursements</u>
	\$41,617		\$41,617
\$2,857		\$2,857	
115,827		115,827	
1,683		1,683	
<b>120,367</b>	<b>41,617</b>	<b>120,367</b>	<b>41,617</b>
5,883		7,093	
85,960		91,675	
91,843		98,768	
6,299		6,295	
2,800		2,715	
		704	
7,712		7,683	
7,712		8,387	
4,170		4,170	
8,301		677	
12,471		4,847	
		1,842	
42,613		34,977	
42,613		36,819	
<b>163,738</b>		<b>157,831</b>	
<b>\$284,105</b>	<b>\$41,617</b>	<b>\$278,198</b>	<b>\$41,617</b>

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Notes to the Schedule of Federal Awards Expenditures  
For the Year Ended June 30, 2002**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the School 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

One Government Center  
Suite 1420  
Toledo, Ohio 43604-2246  
Telephone 419-245-2811  
800-443-9276  
Facsimile 419-245-2484  
www.auditor.state.oh.us

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

Pike-Delta-York Local School District  
Fulton County  
504 Fernwood Street  
Delta, Ohio 43515-1262

To the Board of Education:

We have audited the financial statements of Pike-Delta-York Local School District (the School District) as of and for the year ended June 30, 2002, and have issued our report thereon dated December 19, 2002, which report noted a change in inventory reporting methods. 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 School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 School District in a separate letter dated December 19, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the 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 School District in a separate letter dated December 19, 2002.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, sweeping initial "J" and a long, horizontal stroke extending to the right.

**Jim Petro**  
Auditor of State

December 19, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One Government Center  
Suite 1420  
Toledo, Ohio 43604-2246  
Telephone 419-245-2811  
800-443-9276  
Facsimile 419-245-2484  
www.auditor.state.oh.us

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

Pike-Delta-York Local School District  
Fulton County  
504 Fernwood Street  
Delta, Ohio 43515-1262

To the Board of Education:

**Compliance**

We have audited the compliance of Pike-Delta-York Local School District (the School District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

We conducted our audit of compliance in accordance with 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 School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School District's compliance with those requirements.

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

**Internal Control Over Compliance**

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

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. However, we noted a certain matter involving the internal control over federal compliance that does not require inclusion in this report, which we have reported to management of the School District in a separate letter dated December 19, 2002.

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

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

**Jim Petro**  
Auditor of State

December 19, 2002

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT  
FULTON COUNTY**

**Schedule of Findings  
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 noncompliance 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>	Title I - CFDA # 84.010
<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 AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.







STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

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

**PIKE-DELTA-YORK LOCAL SCHOOL DISTRICT**

**FULTON 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 11, 2003**