



**Auditor of State  
Betty Montgomery**



**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
ASHTABULA COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Pymatuning Valley Local School District  
Ashtabula County  
5571 Route 6 West  
Andover, Ohio 44003

To the Board of Education:

We have audited the accompanying general-purpose financial statements of the Pymatuning Valley Local School District, Ashtabula County, (the "District") as of and for the year ended June 30, 2003, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Pymatuning Valley Local School District, Ashtabula County, as of June 30, 2003, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2004 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

January 9, 2004

**Pymatuning Valley Local School District  
 Combined Balance Sheet  
 All Fund Types and Account Groups  
 June 30, 2003**

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals 2003
	General	Special	Debt	Capital	Enterprise	Internal	Trust and Agency	General	General	(Memorandum Only)
		Revenue	Service	Project		Service		Fixed Assets	Long Term Debt	
<b>Assets and Other Debits:</b>										
Equity in Pooled Cash	\$ 1,859,512	188,624	101,093	12,670,434	40,850	0	80,115	0	0	\$ 14,940,628
Cash with Fiscal Agent	0	0	0	0	0	1,532,734	0	0	0	1,532,734
Restricted Assets	204,410	0	0	0	0	0	0	0	0	204,410
Taxes Receivable	3,539,901	53,599	680,794	54,172	0	0	0	0	0	4,328,466
Interfund Receivable	4,019	0	0	0	0	0	0	0	0	4,019
Due from Other Funds	0	0	0	0	0	255,566	0	0	0	255,566
Intergovernmental Receivable	11,620	6,525	0	0	0	0	0	0	0	18,145
Accounts Receivable	7,190	0	0	249,483	0	1,586	20	0	0	258,279
Supplies Inventory	0	0	0	0	1,651	0	0	0	0	1,651
Inventory for Resale	0	0	0	0	10,268	0	0	0	0	10,268
Property, Plant & Equipment	0	0	0	0	172,109	0	0	9,739,505	0	9,911,614
Accumulated Depreciation, where applicable	0	0	0	0	(139,841)	0	0	0	0	(139,841)
Amount Available in Debt Service	0	0	0	0	0	0	0	0	299,444	299,444
Amount to be Provided for Retirement of General Long Term Debt	0	0	0	0	0	0	0	0	8,024,100	8,024,100
<b>Total Assets and Other Debits</b>	<b>\$ 5,626,652</b>	<b>248,748</b>	<b>781,887</b>	<b>12,974,089</b>	<b>85,037</b>	<b>1,789,886</b>	<b>80,135</b>	<b>9,739,505</b>	<b>8,323,544</b>	<b>\$ 39,649,483</b>

(Continued)

**Pymatuning Valley Local School District  
Combined Balance Sheet  
All Fund Types and Account Groups, Continued  
June 30, 2003**

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals 2003
	General	Special Revenue	Debt Service	Capital Project	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	(Memorandum Only)
<b>Liabilities:</b>										
Interfund Payable	\$ 0	4,019	0	0	0	0	0	0	0	\$ 4,019
Due to Other Funds	230,920	13,287	0	0	11,359	0	0	0	0	255,566
Intergovernmental Payable	175,184	8,798	0	0	13,236	0	0	0	53,844	251,062
Accounts Payable	43,964	817	0	0	0	255,566	0	0	0	300,347
Claims Payable	0	0	0	0	0	257,457	0	0	0	257,457
Accrued Salaries and Benefits	787,955	48,153	0	0	23,987	0	0	0	0	860,095
Deferred Revenue	2,522,854	38,147	482,443	14,258	0	0	0	0	0	3,057,702
Due to Others	0	0	0	0	0	0	42,672	0	0	42,672
Bonds Payable	0	0	0	0	0	0	0	0	7,444,998	7,444,998
Capital Leases Payable	0	0	0	0	0	0	0	0	4,025	4,025
Compensated Absences Payable	7,105	0	0	0	8,503	0	0	0	820,677	836,285
<b>Total Liabilities</b>	<b>3,767,982</b>	<b>113,221</b>	<b>482,443</b>	<b>14,258</b>	<b>57,085</b>	<b>513,023</b>	<b>42,672</b>	<b>0</b>	<b>8,323,544</b>	<b>13,314,228</b>
<b>Fund Equity and Other Credits:</b>										
Investment in General Fixed Assets	0	0	0	0	0	0	0	9,739,505	0	9,739,505
Contributed Capital	0	0	0	0	34,311	0	0	0	0	34,311
Retained Earnings Reserved	0	0	0	0	0	0	24,103	0	0	24,103
Retained Earnings	0	0	0	0	(6,359)	1,276,863	2,160	0	0	1,272,664
<b>Fund Balances:</b>										
Reserved for Budget Stabilization	148,755	0	0	0	0	0	0	0	0	148,755
Reserved for Textbooks	21,706									21,706
Reserved for Capital Maintenance	25,473									25,473
Reserved for Encumbrances	25,973	20,106	0	752,038	0	0	0	0	0	798,117
Reserved for Future Appropriation	1,017,051	15,453	198,350	39,914	0	0	0	0	0	1,270,768
Unreserved Fund Balance	619,712	99,968	101,094	12,167,879	0	0	11,200	0	0	12,999,853
<b>Total Fund Equity</b>	<b>1,858,670</b>	<b>135,527</b>	<b>299,444</b>	<b>12,959,831</b>	<b>0</b>	<b>0</b>	<b>11,200</b>	<b>0</b>	<b>0</b>	<b>15,264,672</b>
<b>Total Fund Balances/Retained Earnings and Other Credits</b>	<b>1,858,670</b>	<b>135,527</b>	<b>299,444</b>	<b>12,959,831</b>	<b>27,952</b>	<b>1,276,863</b>	<b>37,463</b>	<b>9,739,505</b>	<b>0</b>	<b>26,335,255</b>
<b>Total Liabilities, Fund Equity, and Other Credits</b>	<b>\$ 5,626,652</b>	<b>248,748</b>	<b>781,887</b>	<b>12,974,089</b>	<b>85,037</b>	<b>1,789,886</b>	<b>80,135</b>	<b>9,739,505</b>	<b>8,323,544</b>	<b>\$ 39,649,483</b>

See Accompanying Notes to the General Purpose Financial Statements.



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**Pymatuning Valley Local School District**  
**Combined Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**All Governmental Fund Types and Expendable Trust Funds**  
**Year Ended June 30, 2003**

	Governmental Fund Types				Fiduciary	Totals
	General	Special Revenue	Debt Service	Capital Project	Expendable Trust	(Memorandum Only)
<b>REVENUES:</b>						
Taxes	\$ 3,021,898	46,111	581,513	118,692	0	\$ 3,768,214
Tuition	75,934	0	0	0	0	75,934
Earnings on Investments	54,238	0	0	277,517	0	331,755
Extracurricular Activities	0	112,055	0	0	0	112,055
Miscellaneous	33,017	5,050	0	0	2,360	40,427
Revenue from State Sources						
Unrestricted Grants-in-Aid	6,143,212	5,424	63,736	16,483	0	6,228,855
Restricted Grants-in-Aid	409,037	114,099	0	4,758,679	0	5,281,815
Revenue from Federal Sources						
Restricted Grants-in-Aid	0	422,990	0	0	0	422,990
<b>Total Revenue</b>	<b>9,737,336</b>	<b>705,729</b>	<b>645,249</b>	<b>5,171,371</b>	<b>2,360</b>	<b>16,262,045</b>
<b>EXPENDITURES:</b>						
<b>Current:</b>						
<b>Instruction</b>						
Regular	4,343,072	172,353	0	33,032	0	4,548,457
Special	576,481	349,070	0	0	0	925,551
Vocational	303,265	0	0	0	0	303,265
Adult/Continuing Instruction	0	7,339	0	0	0	7,339
Other	161,675	0	0	0	0	161,675
<b>Supporting Services</b>						
Pupils	219,388	8,944	0	0	0	228,332
Instructional Staff	286,221	23,466	0	0	0	309,687
Board of Education	31,787	0	0	0	0	31,787
Administration	1,074,662	5,308	0	0	0	1,079,970
Fiscal Services	212,753	960	0	2,487	0	216,200
Business Services	41,900	1,327	0	0	0	43,227
Operation & Maintenance-Plant	796,983	51	0	0	0	797,034
Pupil Transportation	718,481	0	0	104,350	0	822,831
Support Services-Central	49,624	1,106	0	0	0	50,730
<b>Operation of Non-Instructional Services</b>						
Community Services	25,736	2,500	0	0	0	28,236
<b>Extracurricular Activities</b>						
Academic & Subject Oriented	11,543	0	0	0	0	11,543
Sports Oriented	230,453	78,018	0	0	0	308,471
Co-Curricular Activities	68,829	13,489	0	0	0	82,318
<b>Capital Outlay</b>						
Building Construction and Improvement	0	0	0	47,873	0	47,873
Other Fac. Acquisition and Construction	0	0	0	749,935	0	749,935
<b>Debt Service</b>						
Repayment of Debt	0	0	725,967	0	0	725,967
<b>Total Expenditures</b>	<b>9,152,853</b>	<b>663,931</b>	<b>725,967</b>	<b>937,677</b>	<b>0</b>	<b>11,480,428</b>
<b>Excess (Deficiency) of Revenues</b>						
Over (Under) Expenditures	584,483	41,798	(80,718)	4,233,694	2,360	4,781,617
<b>Other Financing Sources and Uses:</b>						
<b>Other Financing Sources</b>						
Sale of Bonds	0	0	0	0	0	0
Sale & Loss of Assets	7,743	0	0	0	0	7,743
Transfer-In	0	24,242	0	0	0	24,242
Refund of Prior Year Expenditures	11,060	0	3,000	0	0	14,060
<b>Other Financing Uses</b>						
Transfers-Out	(24,242)	0	0	0	0	(24,242)
Refund of Prior Years Receipts	(113)	(5,092)	0	(2,817)	0	(8,022)
<b>Net Other Financing Sources and Uses</b>	<b>(5,552)</b>	<b>19,150</b>	<b>3,000</b>	<b>(2,817)</b>	<b>0</b>	<b>13,781</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditure</b>						
Disbursement and Other Uses	578,931	60,948	(77,718)	4,230,877	2,360	4,795,398
<b>Beginning Fund Balance</b>	<b>1,279,739</b>	<b>74,579</b>	<b>377,162</b>	<b>8,728,954</b>	<b>8,840</b>	<b>10,469,274</b>
<b>Ending Fund Balance</b>	<b>\$ 1,858,670</b>	<b>135,527</b>	<b>299,444</b>	<b>12,959,831</b>	<b>11,200</b>	<b>\$ 15,264,672</b>

See Accompanying Notes to the General Purpose Financial Statements.

**Pymatuning Valley Local School District**  
**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Basis)**  
**All Governmental Fund Types and Expendable Trust Funds**  
**Year Ended June 30, 2003**

	General Fund			Special Revenue Funds		
	Revised		Variance	Revised		Variance
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$ 2,886,824	2,886,824	0	46,295	46,295	\$ 0
Tuition	75,934	75,934	0	0	0	0
Earnings on Investment	55,499	54,336	(1,163)	0	0	0
Extracurricular Activities	0	0	0	111,387	112,205	818
Miscellaneous	33,233	33,233	0	5,050	5,050	0
State Unrestricted Grants-in-Aid	6,136,847	6,136,847	0	5,424	5,424	0
State Restricted Grants-in-aid	409,037	409,037	0	116,071	114,099	(1,972)
Federal Restricted Grants-in-Aid	0	0	0	500,177	432,148	(68,029)
<b>Total Revenue</b>	<b>9,597,374</b>	<b>9,596,211</b>	<b>(1,163)</b>	<b>784,404</b>	<b>715,221</b>	<b>(69,183)</b>
<b>Expenditures:</b>						
Regular Instruction	4,365,943	4,318,387	47,556	176,819	173,750	3,069
Special Instruction	580,359	580,359	0	366,227	366,534	(307)
Vocational Instruction	314,930	314,930	0	0	0	0
Adult/Continuing Instruction	0	0	0	8,529	7,477	1,052
Other Instruction	161,675	161,675	0	0	0	0
Support Services-Pupils	217,708	217,708	0	14,509	14,507	2
Support Services-Instructional Staff	283,329	283,329	0	23,466	23,466	0
Support Services-Board of Education	33,485	33,485	0	0	0	0
Support Services-Administration	1,083,183	1,083,125	58	5,308	5,308	0
Fiscal Services	212,254	212,254	0	960	960	0
Support Services-Business	42,898	42,898	0	1,327	1,327	0
Operation & Maintenance-Plant	821,505	821,505	0	51	51	0
Support Services-Transportation	718,979	718,979	0	0	0	0
Support Services-Central	23,151	22,522	629	1,106	1,106	0
Community Services	25,736	25,736	0	7,464	7,464	0
Academic & Subject Oriented Activities	11,543	11,543	0	0	0	0
Sports Oriented Activities	228,605	228,605	0	86,133	86,133	0
Co-Curricular Activities	72,128	68,306	3,822	14,294	14,294	0
Facilities Acquisition & Construction	0	0	0	0	0	0
Repayment of Debt	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>9,197,411</b>	<b>9,145,346</b>	<b>52,065</b>	<b>706,193</b>	<b>702,377</b>	<b>3,816</b>
<b>Excess of Revenue Over</b>						
<b>(Under) Expenditures</b>	<b>399,963</b>	<b>450,865</b>	<b>50,902</b>	<b>78,211</b>	<b>12,844</b>	<b>(65,367)</b>
<b>Other Financing Sources (Uses):</b>						
Sale of Bonds	0	0	0	0	0	0
Sale & Loss of Assets	7,743	7,743	0	0	0	0
Transfers-In	0	0	0	24,242	24,242	0
Advances-In	121,800	121,800	0	22	4,019	3,997
Refund of Prior Years Expenditures	5,725	5,725	0	0	0	0
Transfers-Out	(24,242)	(24,242)	0	0	0	0
Advances-Out	(102,891)	(102,891)	0	(22,929)	(22,929)	0
Refund of Prior Years Receipts	(113)	(113)	0	(5,092)	(5,092)	0
<b>Total Other Sources (Uses)</b>	<b>8,022</b>	<b>8,022</b>	<b>0</b>	<b>(3,757)</b>	<b>240</b>	<b>3,997</b>
<b>Excess of Revenues &amp; Other Financing</b>						
<b>Sources Over (Under) Expenditures</b>						
<b>and Other Financing Uses</b>	<b>407,985</b>	<b>458,887</b>	<b>50,902</b>	<b>74,454</b>	<b>13,084</b>	<b>(61,370)</b>
Beginning Fund Balance	1,518,655	1,518,655	--	104,449	104,449	--
Prior Year Carry Over Encumbrances	55,383	55,383	--	50,220	50,220	--
<b>Ending Fund Balance</b>	<b>\$ 1,982,023</b>	<b>\$ 2,032,925</b>	<b>50,902</b>	<b>229,123</b>	<b>167,753</b>	<b>\$ (61,370)</b>

(Continued)

**Pymatuning Valley Local School District**  
**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Basis)**  
**All Governmental Fund Types and Expendable Trust Funds - Continued**  
**Year Ended June 30, 2003**

	Debt Service Funds			Capital Project Funds		
	Revised	Actual	Variance	Revised	Actual	Variance
	Budget		Favorable (Unfavorable)	Budget		Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$ 552,029	552,029	0	118,763	118,763	\$ 0
Tuition	0	0	0	0	0	0
Earnings on Investment	0	0	0	47,658	47,425	(233)
Extracurricular Activities	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0
State Unrestricted Grants-in-Aid	63,736	63,736	0	16,483	16,483	0
State Restricted Grants-in-Aid	0	0	0	2,388,679	4,758,679	2,370,000
Federal Restricted Grants-in-Aid	0	0	0	0	0	0
<b>Total Revenue</b>	<b>615,765</b>	<b>615,765</b>	<b>0</b>	<b>2,571,583</b>	<b>4,941,350</b>	<b>2,369,767</b>
<b>Expenditures:</b>						
Regular Instruction	0	0	0	37,361	37,361	0
Special Instruction	0	0	0	0	0	0
Vocational Instruction	0	0	0	0	0	0
Adult/Continuing Instruction	0	0	0	0	0	0
Other Instruction	0	0	0	0	0	0
Support Services-Pupils	0	0	0	0	0	0
Support Services-Instructional Staff	0	0	0	0	0	0
Support Services-Board of Education	0	0	0	0	0	0
Support Services-Administration	0	0	0	0	0	0
Fiscal Services	0	0	0	2,487	2,487	0
Support Services-Business	0	0	0	0	0	0
Operation & Maintenance-Plant	0	0	0	0	0	0
Support Services-Transportation	0	0	0	104,350	104,350	0
Support Services-Central	0	0	0	0	0	0
Community Services	0	0	0	0	0	0
Sports Oriented	0	0	0	0	0	0
Co-Curricular Activities	0	0	0	0	0	0
Facilities Acquisition & Construction	0	0	0	1,545,519	1,545,519	0
Repayment of Debt	725,968	725,968	0	0	0	0
<b>Total Expenditures</b>	<b>725,968</b>	<b>725,968</b>	<b>0</b>	<b>1,689,717</b>	<b>1,689,717</b>	<b>0</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>(110,203)</b>	<b>(110,203)</b>	<b>0</b>	<b>881,866</b>	<b>3,251,633</b>	<b>2,369,767</b>
<b>Other Financing Sources (Uses):</b>						
Sale of Bonds	3,000	3,000	0	0	0	0
Sale & Loss of Assets	0	0	0	0	0	0
Transfers-In	0	0	0	0	0	0
Advances-In	98,872	98,872	0	0	0	0
Refund of Prior Years Expenditures	0	0	0	0	0	0
Transfers-Out	0	0	0	0	0	0
Advances-Out	(98,872)	(98,872)	0	0	0	0
Refund of Prior Years Receipts	0	0	0	(2,817)	(2,817)	0
<b>Total Other Sources (Uses)</b>	<b>3,000</b>	<b>3,000</b>	<b>0</b>	<b>(2,817)</b>	<b>(2,817)</b>	<b>0</b>
<b>Excess of Revenues &amp; Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(107,203)</b>	<b>(107,203)</b>	<b>0</b>	<b>879,049</b>	<b>3,248,816</b>	<b>2,369,767</b>
Beginning Fund Balance	208,296	208,296	--	8,644,946	8,644,946	--
Prior Year Carry Over Encumbrances	0	0	--	24,633	24,633	--
<b>Ending Fund Balance</b>	<b>\$ 101,093</b>	<b>\$ 101,093</b>	<b>0</b>	<b>\$ 9,548,628</b>	<b>\$ 11,918,395</b>	<b>\$ 2,369,767</b>

(Continued)

**Pymatuning Valley Local School District**  
**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Basis)**  
**All Governmental Fund Types and Expendable Trust Funds - Continued**  
**Year Ended June 30, 2003**

	Expendable Trust Funds			Totals (Memorandum Only)		
	Revised		Variance	Revised		Variance
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$ 0	0	0	3,603,911	3,603,911	\$ 0
Tuition	0	0	0	75,934	75,934	0
Earnings on Investment	0	0	0	103,157	101,761	(1,396)
Extracurricular Activities	0	0	0	111,387	112,205	818
Miscellaneous	2,362	2,362	0	40,645	40,645	0
State Unrestricted Grants-in-Aid	0	0	0	6,222,490	6,222,490	0
State Restricted Grants-in-Aid	0	0	0	2,913,787	5,281,815	2,368,028
Federal Restricted Grants-in-Aid	0	0	0	500,177	432,148	(68,029)
<b>Total Revenue</b>	<b>2,362</b>	<b>2,362</b>	<b>0</b>	<b>13,571,488</b>	<b>15,870,909</b>	<b>2,299,421</b>
<b>Expenditures:</b>						
Regular Instruction	0	0	0	4,580,123	4,529,498	50,625
Special Instruction	0	0	0	946,586	946,893	(307)
Vocational Instruction	0	0	0	314,930	314,930	0
Adult/Continuing Instruction	0	0	0	8,529	7,477	1,052
Other Instruction	0	0	0	161,675	161,675	0
Support Services-Pupils	0	0	0	232,217	232,215	2
Support Services-Instructional Staff	0	0	0	306,795	306,795	0
Support Services-Board of Education	0	0	0	33,485	33,485	0
Support Services-Administration	0	0	0	1,088,491	1,088,433	58
Fiscal Services	0	0	0	215,701	215,701	0
Support Services-Business	0	0	0	44,225	44,225	0
Operation & Maintenance-Plant	0	0	0	821,556	821,556	0
Support Services-Transportation	0	0	0	823,329	823,329	0
Support Services-Central	0	0	0	24,257	23,628	629
Community Services	0	0	0	33,200	33,200	0
Academic & Subject Oriented Activities	0	0	0	11,543	11,543	0
Sports Oriented Activities	0	0	0	314,738	314,738	0
Co-Curricular Activities	0	0	0	86,422	82,600	3,822
Facilities Acquisition & Construction	0	0	0	1,545,519	1,545,519	0
Repayment of Debt	0	0	0	725,968	725,968	0
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,319,289</b>	<b>12,263,408</b>	<b>55,881</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>2,362</b>	<b>2,362</b>	<b>0</b>	<b>1,252,199</b>	<b>3,607,501</b>	<b>2,355,302</b>
<b>Other Financing Sources (Uses):</b>						
Sale of Bonds	0	0	0	3,000	3,000	0
Sale & Loss of Assets	0	0	0	7,743	7,743	0
Transfers-In	0	0	0	24,242	24,242	0
Advances-In	0	0	0	220,694	224,691	3,997
Refund of Prior Years Expenditures	0	0	0	5,725	5,725	0
Transfers-Out	0	0	0	(24,242)	(24,242)	0
Advances-Out	0	0	0	(224,692)	(224,692)	0
Refund of Prior Years Receipts	0	0	0	(8,022)	(8,022)	0
<b>Total Other Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,448</b>	<b>8,445</b>	<b>(3,997)</b>
<b>Excess of Revenues &amp; Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>2,362</b>	<b>2,362</b>	<b>0</b>	<b>1,256,647</b>	<b>3,615,946</b>	<b>(2,359,299)</b>
Beginning Fund Balance	8,839	8,839	--	10,485,185	10,485,185	--
Prior Year Carry Over Encumbrances	0	0	--	130,236	130,236	--
<b>Ending Fund Balance</b>	<b>\$ 11,201</b>	<b>11,201</b>	<b>0</b>	<b>11,872,068</b>	<b>14,231,367</b>	<b>\$ (2,359,299)</b>

See Accompanying Notes to the General Purpose Financial Statements.

**Pymatuning Valley Local School District**  
**Combined Statement of Revenues, Expenses, and Changes in Retained Earnings**  
**All Proprietary Fund Types and Non-Expendable Trust Funds**  
**Year Ended June 30, 2003**

	Proprietary Fund Type		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise Funds	Internal Service Funds	Non-Expendable Trust Funds	
<b>Operating Revenues:</b>				
Food Service	\$ 164,376	0	0	\$ 164,376
Classroom Materials & Fees	971	0	0	971
Miscellaneous	<u>0</u>	<u>1,564,145</u>	<u>0</u>	<u>1,564,145</u>
Total Operating Revenue	165,347	1,564,145	0	1,729,492
<b>Operating Expenses:</b>				
Personal Services - Salary	150,222	0	0	150,222
Employee Benefits	82,682	0	0	82,682
Purchased Services	100	1,323,422	0	1,323,522
Supplies and Materials	175,184	0	0	175,184
Depreciation	2,432	0	0	
Capital Outlay	0	0	1,724	1,724
Other Objects	<u>0</u>	<u>0</u>	<u>200</u>	<u>200</u>
Total Operating Expenses	<u>410,620</u>	<u>1,323,422</u>	<u>1,924</u>	<u>1,735,966</u>
Operating Loss/Gain	(245,273)	240,723	(1,924)	(6,474)
<b>Non-Operating Revenues:</b>				
Earnings on Investments	279	27,225	945	28,449
State Unrestricted Grants-In-Aid	11,500	0	0	11,500
Federal Unrestricted Grants-in-Aid	195,983	0	0	195,983
Federal Restricted Grants-in-aid	<u>28,176</u>	<u>0</u>	<u>0</u>	<u>28,176</u>
Total Non-Operating Revenues	235,938	27,225	945	264,108
Net Income Before Operating Transfers	(9,335)	267,948	(979)	257,634
Net Income/Loss	(9,335)	267,948	(979)	257,634
Beginning Retained Earnings	<u>2,976</u>	<u>1,008,915</u>	<u>27,242</u>	<u>1,039,133</u>
Retained Earnings at End of Year	<u>\$ (6,359)</u>	<u>1,276,863</u>	<u>26,263</u>	<u>\$ 1,296,767</u>

See Accompanying Notes to the General Purpose Financial Statements.

**Pymatuning Valley Local School District**  
**Combined Statement of Changes in Cash Flows**  
**All Proprietary Fund Types and Non-Expendable Trust Funds**  
**Year Ended June 30, 2003**

	Proprietary Fund Type		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise Funds	Internal Service Fund	Non-Expendable Trust Funds	
Cash Flows from Operating Activities				
Operating Gain (Loss)	\$ (245,273)	240,723	(1,924)	\$ (6,474)
Adjustment to Reconcile Operating Gain (Loss)				
To Net Cash used in Operating Activities:				
Depreciation	2,432	0	0	2,432
Net (Increase) Decrease in Assets:				
Intergovernmental Receivable	26,260	0	0	26,260
Accounts Receivable	134	(1,586)	0	(1,452)
Inventory	(900)	0	0	(900)
Inventory for Resale	(1,320)	0	0	(1,320)
Net Increases (Decreases) in Liabilities:				
Intergovernmental Payable	(7,207)	0	0	(7,207)
Interfund payable	(11,356)	(6,935)	0	(18,291)
Accounts Payable	0	6,935	0	6,935
Accrued Wages and Benefits	14,115	0	0	14,115
Claims Payable	0	(2,587)	0	(2,587)
Compensated Absences	9	0	0	9
Total Adjustments	22,167	(4,173)	0	17,994
Net Cash Used in Operating Activities	(223,106)	236,550	(1,924)	11,520
Cash Flows from Noncapital Activities:				
Earnings on Investments	279	27,225	0	27,504
Other Sources	0	0	945	945
Operating Grants from State Sources	11,500	0	0	11,500
Federal Commodities	28,176	0	0	28,176
Operating Grants from Federal Sources	195,983	0	0	195,983
Net Cash Provided by Noncapital Financing Sources	235,938	27,225	945	264,108
Net Increase in Cash & Cash Equivalents	12,832	263,775	(979)	275,628
Cash and Cash Equivalents at Beginning of Year	28,018	1,268,958	27,242	1,324,218
Cash and Cash Equivalents at End of Year	\$ 40,850	1,532,733	26,263	\$ 1,599,846

See Accompanying Notes to General Purpose Financial Statements.  
Federal donated commodities in the amount of \$28,176 were recorded as revenue in the food service enterprise fund.

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**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
ASHTABULA COUNTY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003**

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**Note 1. Summary of Significant Accounting Policies**

The financial statements of the Pymatuning Valley Local School District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**A. Reporting Entity**

The District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a local District as defined by Section 3311.0 of the Ohio Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District.

Average daily membership (ADM) as of October 1, 2002, was 1,405. The District employed 94 certified employees and 49 non-certificated employees.

The District provides regular, vocational and special instruction. The District also provides support services for the pupils, instructional staff, general and school administration, business and fiscal services, facilities acquisition and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities and non-programmed services. The District is supervised by the Ashtabula County Educational Service Center, a separate entity.

The accompanying general purpose financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all organizations, activities and functions for which the District is financially accountable. This report includes all activities considered by management to be part of the District by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

Section 2100 indicates that the reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity.

It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
ASHTABULA COUNTY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003**

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**Note 1. Summary of Significant Accounting Policies (continued)**

resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Management believes the financial statements included in this report represent all of the funds of the District over which the District is financially accountable.

**B. Fund Accounting**

The 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 government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental Fund Types

Governmental funds are those through which most governmental functions typically are financed. Governmental Fund Types are accounted for on a flow of current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their operating statements present sources (revenues and other financing sources) and uses (expenditures and other financing uses) of "available spendable resources" during the period.

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

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

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

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

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
ASHTABULA COUNTY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003**

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**Note 1. Summary of Significant Accounting Policies (continued)**

Proprietary Fund Types

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

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

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

Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. The following are the fiduciary fund types:

Expendable Trust Funds - These funds account for resources, including both principal and earnings, which must be expended according to the provision of a trust agreement. Expendable trust funds are accounted for in essentially the same manner as governmental funds.

Nonexpendable Trust Funds - These funds account for trust principal which may not be expended. Only interest earned on the principal may be used for trust operations. Nonexpendable trust funds are accounted for in essentially the same manner as proprietary funds.

Agency Funds - These funds are purely custodial and thus do not involve measurement of results of operations.

Account Groups

Account Groups are financial reporting devices to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not affect expendable available financial resources. The following are the account groups:

General Fixed Assets Account Group - This account group is used to account for all of the District's fixed assets other than those accounted for in the Proprietary funds.

General Long-Term Debt Account Group - This account group is used to account for all of the District's long-term obligations other than those accounted for in the Proprietary Funds.

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
ASHTABULA COUNTY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003**

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**Note 1. Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus/Basis of Accounting**

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

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

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

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

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 a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year. The available period for the District is sixty days after fiscal year end.

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

In applying the susceptible to the accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, interest, tuition, student fees, rentals and grants.

The District reports deferred revenues on its combined balance sheet that arise when revenue does not meet both the measurable and available criteria recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2003 that are intended to finance fiscal year 2004 operations, and delinquent property taxes, whose availability is indeterminable have been recorded as deferred revenue.

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
ASHTABULA COUNTY  
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JUNE 30, 2003**

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**Note 1. Summary of Significant Accounting Policies (continued)**

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

The proprietary fund type and nonexpendable trust funds utilize the full accrual basis of accounting for reporting purposes. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as non-operating revenue.

**D. Budget and Budgetary Accounting**

All governmental and proprietary fund types are subject to annual expenditures budgets. The Board follows the procedures outlined below in establishing the expenditure budget data reported in the general purpose financial statements:

- 1) A Tax Budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by January 20th of each year, for the fiscal year commencing the following July 1st. The Board of Education normally adopts the Tax Budget at its regular board meeting in January.
- 2) The County Budget Commission certifies its actions to the District by March 1st. As part of this certification, the District receives the Official Certificate of Estimated Resources which states the projected receipts of each fund. During the month of July, this certificate is amended to include any unencumbered balances from the preceding fiscal year.
- 3) An annual appropriation measure must be passed by the Board of Education by October 1st of each year for the period July 1st to June 30th. Unencumbered appropriations lapse at year-end and the encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated. The Board of Education usually adopts temporary appropriations at its regular board meeting in June. The Annual Appropriation Resolution is usually adopted at the September regular board meeting. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources and expenditures may not exceed appropriations in any fund at the object level.
- 4) The District prepares its budget on a basis of accounting that differs from generally accepted accounting principles (GAAP). The actual results of operations are presented in the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual--All Governmental Fund Types" in accordance with the budget basis of accounting.

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
ASHTABULA COUNTY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003**

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**Note 1. Summary of Significant Accounting Policies (continued)**

The major differences between the budgetary basis of accounting and GAAP are that:

- a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- c) Encumbrances are recorded as the equivalent of expenditures (budget basis) as opposed to a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund types (GAAP basis); and
- d) For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP).

Encumbrances - As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of funds are recorded as the equivalent of expenditures on the budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds.

**E. Cash and Investments**

Cash received by the District is pooled in a central bank account with individual fund balance integrity maintained throughout. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments." During the fiscal year all investments were limited to certificates of deposit.

Investments are reported at cost. Fair value is based on quoted market prices.

Under existing Ohio statutes all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. For the District, interest revenue is credited to the General Fund, Capital Projects Fund, Trust Funds and Proprietary Funds. Interest revenue credited to the General Fund during the fiscal year was \$54,238; Capital Projects Fund, \$277,517; Proprietary Funds, \$27,504; and Trust Funds, \$945.

**F. Taxes Receivable**

The financial statements reflect taxes receivable as of June 30, 2003. GAAP permits the recognition of revenue from any property tax assessment in the fiscal period levied, provided the funds are "available." "Available" means then due, or past due and receivable within the current period or expected to be collected soon thereafter. While these taxes have been assessed, the majority are not due at June 30, 2003 and accordingly have been recorded as deferred revenue in the accompanying financial statements. Taxes that become delinquent remain recorded in deferred revenue until they are determined to be uncollectible.

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
ASHTABULA COUNTY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003**

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**Note 1. Summary of Significant Accounting Policies (continued)**

**G. Inventories**

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventories are determined by physical count. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of the governmental fund type inventories are recorded as expenditures when purchased (purchase method) rather than when consumed. Reported inventories in these funds are equally offset by a fund balance reserve which indicates they are unavailable for appropriation. Inventories of proprietary funds consist of donated food, purchased food, and general supplies, and are expended when used.

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2003, are recognized under the nonallocation method. The nonallocation method of prepayments and deferrals is consistent with the basic governmental concept that only expendable financial resources are reported by a specific governmental fund. Payments for the prepaid items or deferrals are fully recognized as an expenditure in the year of payment. Under the nonallocation method no asset for the prepayment or deferral is created, and no expenditure allocation to future accounting periods is required.

**I. Fixed Assets**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. The original cost of equipment was estimated using standard industry assumptions as determined by an outside consultant. All purchased fixed assets since the initial valuation are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs, that do not add to the value of the asset or materially extend asset lives, are not capitalized. Improvements are capitalized (\$1,000 threshold) and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed using the straight-line method over an estimated useful life of the assets (five to twenty years).

**J. Short-Term Interfund Receivables/Payables**

During the course of operations, numerous transactions occur between individual funds for the Self Funded Health Insurance. These receivables and payables are classified as "due from other funds" or "due to other funds." Short-term interfund loans are classified as "interfund receivables/payables." At June 30, 2003, the District had \$255,566 "Due to/from Other Funds" and \$4,019 in "Interfund Receivables/Payables."

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
ASHTABULA COUNTY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003**

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**Note 1. Summary of Significant Accounting Policies (continued)**

**K. Advances to Other Funds**

Non-current portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicated that they do not constitute expendable available financial resources and therefore are not available for appropriation. At June 30, 2003 the District had no long-term interfund loans.

**L. Compensated Absences**

The District accounts for compensated absences in accordance with GASB Statement No. 16. Sick leave and other compensated absences with similar characteristics are accrued as a liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments, as well as other employees who are expected to become eligible in the future to receive such payments. To calculate the liability, these accumulations are reduced to the maximum amount allowed as a termination payment. Accruals for those employees who are expected to become eligible in the future are based on assumptions concerning the probability that individual employees or class or group of employees will become eligible to receive termination payments. All employees with ten or more years of service were included in the calculation of the long-term compensated absences accrual amount.

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met: 1.) The employees' rights to receive compensation are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee; and 2.) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

For governmental funds, the District records a liability for accumulated unused vacation and sick leave when earned. The current portion of these unpaid compensated absences is the amount expected to be paid using expendable available 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 debt account group. In proprietary funds, compensated absences are expensed when earned with the amount reported as a fund liability.

**M. Contributed Capital**

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. The assets are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources. At June 30, 2003, the District had \$34,311 in contributed capital.



**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
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**Note 1. Summary of Significant Accounting Policies (continued)**

**N. Long-Term Obligations**

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

**O. Interfund Transactions**

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**P. Fund Balance Reserves**

Reserved fund balances indicate that portion of fund equity which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for textbooks, budget stabilization, insurance claims, encumbrances and future appropriations. The reserve for future appropriation represents the amount of the property taxes available for advance and recognized as revenue. The District is prohibited by law from appropriating the advance, since it was not received, for the current fiscal year. The unreserved portions of fund equity reflected for the Governmental Funds are available for use within the specific purposes of those funds.

**Q. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents set aside to establish reserves for textbooks and budget stabilization. A fund balance reserve has also been established.

**R. 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.

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
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**Note 1. Summary of Significant Accounting Policies (continued)**

**S. Memorandum Only - Total Columns**

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

**Note 2. Budgetary Basis of Accounting**

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

	Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses Governmental Fund Type and Expendable Trust Funds				
	Governmental Fund Type				
	General Fund	Special Revenue	Debt Service	Capital Project	Expendable Trust
GAAP Basis	\$ 578,931	60,948	(77,718)	4,230,877	\$ 2,360
Increase (Decrease):					
Due to Revenues:					
Net Adjustments to Revenue Accruals	(141,125)	9,492	(29,484)	(230,021)	2
Due to Expenditures:					
Net Adjustments to Expenditure Accruals	7,507	(38,446)	(1)	(752,040)	0
Due to Other Sources/Uses	13,574	(18,910)	0	0	0
Budget Basis	\$ 458,887	13,084	(107,203)	3,248,816	\$ 2,362

**Note 3. Cash and Investments**

State statutes classify monies held by the District into three categories. Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current 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.

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
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**Note 3. Cash and Investments (continued)**

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 pass book accounts.

Protection of District 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.

Monies held by the District which are not considered active are classified as inactive. Inactive monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio); and
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
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**Note 3. Cash and Investments (continued)**

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

**Deposits** At fiscal year end, the carrying amount of the District's deposits was \$767,863, the bank balance was \$15,145,051, of which \$7,903,457 was in Certificates of Deposit and \$6,473,718 in Savings Accounts. Of the bank balance, \$200,000 was covered by federal depository insurance and the remaining \$14,945,051 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements would potentially subject the District to a successful claim by the FDIC.

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

**Funds Held by Fiscal Agent** The District participates in OMERESA for employee benefits which is administered by Self-Funded Plans, Inc. The bank balance at fiscal year end for the Employee Benefit Self-Insurance Fund was \$1,532,734. All benefit deposits are made to the District's account set up by Self-Funded Plans, Inc. Collateral is held by a qualified third-party trustee in the name of the administrator.

**Note 4. Property Tax**

Property taxes are levied, assessed and collected on a calendar year basis. They include amounts levied against all real, public utility, and tangible personal property located in the District. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the Ashtabula County Auditor at 35% of appraised market value. All property is required to be revalued every six years. The last revaluation for the District was completed in 2002; an update will be done in 2005. The next revaluation is scheduled for 2008.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31. If paid semi-annually, the first payment is usually due February 14, with the remainder payable June 20. Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before December 31 of that calendar year. Tangible personal property used in business (except for public utilities) is currently assessed for taxation purposes at 25% of its true value.

Amounts paid by multi-county taxpayers may be paid annually or semi-annually, the first payment due April 30, with the remainder payable by September 28.

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
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**Note 4. Property Tax (continued)**

Public utility real and public utility personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Real property is assessed at 35% of market value and personal property is assessed at 100% of market value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The Ashtabula County Treasurer collects property tax on behalf of the District. The Ashtabula County Auditor remits the collected taxes to the District. Tax settlements are made each March and August for real property taxes and each June and October for personal property.

Taxes available for advance and recognized as revenue, but not received by the District prior to June 30, are reflected as a reservation of fund balance. The District is prohibited by law from appropriating the property taxes recognized as revenue in accordance with Ohio Revised Code Section 5705.35 since an advance of tax revenue was not received by the end of the fiscal year.

The full tax rate at the fiscal year ended June 30, 2003 for operations was \$33.63 per \$1,000 of assessed valuation and \$1.60 per \$1,000 of assessed valuation for permanent improvements. The assessed values of real and tangible personal property on which the fiscal year 2003 taxes were collected were as follows:

Real Property-Commercial/Industrial	\$ 14,082,890
Real Property-Residential/Agricultural	87,089,140
Real Property-Public Utilities	64,330
Personal Property-General	10,619,960
Personal Property-Public Utilities	<u>7,401,520</u>
Total Assessed Value	<u>\$ 119,257,840</u>

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
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**Note 5. Receivables**

Receivables at June 30, 2003 consisted of taxes, accounts (miscellaneous), and intergovernmental grants and entitlements. 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 guarantee of Federal funds.

A summary of Intergovernmental Receivables at June 30, 2003 follows:

General Fund:	
State Foundation Adjustment	\$ 11,620
Special Revenue Funds:	
Title VI Grant	<u>6,525</u>
Total Intergovernmental Receivables	<u><u>\$ 18,145</u></u>

**Note 6. Fixed Assets**

The following is a summary of changes in the General Fixed Assets Account Group during the fiscal year 2003:

	General Fixed Assets June 30, 2002	Additions	Deletions	General Fixed Assets June 30, 2003
Land & Land Improvements	\$ 478,147	0	0	\$ 478,147
Buildings & Bldg. Improvements	6,573,331	8,000	0	6,581,331
Improvements other than Buildings	0	40,316	0	40,316
Furniture, Fixtures & Equipment	1,346,586	60,408	0	1,406,994
Vehicles	<u>1,236,867</u>	<u>104,350</u>	<u>108,500</u>	<u>1,232,717</u>
Total General Fixed Assets	<u><u>\$ 9,634,931</u></u>	<u><u>213,074</u></u>	<u><u>108,500</u></u>	<u><u>\$ 9,739,505</u></u>

There was no significant construction in progress at June 30, 2003.

The following is a summary of the proprietary funds property, plant and equipment at June 30, 2003:

Furniture and Equipment	\$ 172,109
Less Accumulated Depreciation	<u>(139,841)</u>
Net Fixed Assets	<u><u>\$ 32,268</u></u>

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
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**Note 6. Fixed Assets (continued)**

In proprietary funds, the following estimated useful lives are used to compute depreciation:

Equipment	8-20 years
Furniture	20 years
Vehicles	10 years

**Note 7. Defined Benefit Pension Plans**

**A. School Employees Retirement System**

The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 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 District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amount, by the SERS' Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$159,768, \$178,776 and \$155,088, respectively; 46.51 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001. \$91,868 representing the unpaid contribution for fiscal year 2003, including the surcharge, is recorded as a liability within the respective funds and the general long-term obligations account group.

**B. State Teachers Retirement System**

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
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**B. State Teachers Retirement System (continued)**

Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2003, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For the fiscal year 2002, the portion used to fund pension obligations was 9.5 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2003, 2002, and 2001 were \$712,440, \$568,344, and \$637,104 respectively; 83.3 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001. Contributions to the DC and Combined Plans for fiscal year 2003 were \$ 6,764 made by the School District and \$13,434 made by the plan members.

**Note 8. Postemployment Benefits**

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care cost will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. Effective July 1, 2002, the STRS Board allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$50,889 for fiscal year 2003.



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**Note 8. Postemployment Benefits (continued)**

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2003, the balance in the Fund was \$3.011 billion. For the year ended June 30, 2003, net health care costs paid by STRS were \$354,697,000 and STRS had 105,300 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.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2003, employer contributions to fund health care benefits were 8.54 percent of covered payroll, a decrease of 1.26 percent for fiscal year 2003. 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 2003, the minimum pay has been established at \$14,500. For the District, the amount to fund health care benefits, including surcharge, during the 2003 fiscal year equaled \$109,442.

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, 2003, were \$182,946,777 and the target level was \$274.4 million. At June 30, 2003, SERS had net assets available for payment of health care benefits of \$335.2 million. SERS has approximately 50,000 participants receiving health care benefits.

**Note 9. Compensated Absences**

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Only administrative and support personnel who are under a full year contract (11 and 12 month) are eligible for vacation time. The superintendent and treasurer are granted twenty days of vacation per year.

Classified employees earn five to twenty-five days of vacation per year, depending upon length of service. Classified employees' accumulated vacation days shall not exceed thirty days. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment.

The classified personnel accumulate vacation based on the following schedule:

Years Service	Vacation Days
6 months -1	5
1-5	10
6-10	15
11-19	20
20-25	20 plus one day per year to 25

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**Note 9. Compensated Absences (continued)**

Each employee earns sick leave at the rate of one and one-fourth days per month. Sick leave shall accumulate during active employment on a continuous year-to-year basis. Maximum sick leave accumulation is 275 days for classified employees and 295 days for certified employees.

For all employees, retirement severance is paid to each employee retiring from the District at a per diem rate of the annual salary at the time of retirement if the employee has been employed by the District for a minimum of ten consecutive years at the time of retirement. Any employee receiving retirement severance pay shall be entitled to a dollar amount equivalent to one-fourth of all accumulated sick leave credited to that employee up to 70 days for certified employees and 70 days for classified employees.

**Note 10. Risk Management**

**A. General Risk**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The District has addressed these various types of risk by purchasing a comprehensive insurance policy through commercial carriers.

General liability insurance is maintained in the amount of \$2,000,000 for each occurrence and \$5,000,000 in the aggregate.

The District maintains fleet insurance in the amount of \$1,000,000 for any one accident or loss.

The District maintains replacement cost insurance on buildings and contents in the amount of \$25,665,400 and \$125,000 for equipment breakdown coverage. In addition, the District maintains coverage on musical instruments, computers, band uniforms, audio-visual equipment and electronics.

**B. Workers' Compensation**

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

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

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
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**Note 10. Risk Management (continued)**

C. Health Insurance

The District belongs to the Ohio Mid Eastern Regional Educational Service Agency (OMERSA) to self insure its medical claims. OMERSA currently includes 50 member school districts. Contributions are determined by the consortium's board of directors and are remitted monthly to the consortium's fiscal agent, Jefferson County Educational Service Center, who then pays all incurred claims. Thus actual cash "reserves" are held by the fiscal agent. Settlements have never exceeded insurance coverage.

Self Funded Plans, Inc., a third party administrator, services all health/medical claims submitted by employees. An excess coverage insurance policy covers individual claims in excess of \$50,000 per employee consortium wide.

**Note 11. Long-Term Debt**

Long-Term Debt:

A summary of changes in long-term obligations for the year ended June 30, 2003, are as follows:

	Balance			Balance
	July 1, 2002	Additions	Deletions	June 30, 2003
Intergovernmental Payable	\$ 56,818	0	2,974	\$ 53,844
General Obligation Bonds Payable	7,774,998	0	330,000	7,444,998
Capital Lease Payable	10,321	0	6,296	4,025
Compensated Absences Payable	744,150	76,527	0	820,677
	<u>\$ 8,586,287</u>	<u>76,527</u>	<u>339,270</u>	<u>\$ 8,323,544</u>

Capital Lease: The District is making installment payments on Bond instruments. The equipment has been capitalized in the general fixed asset account group. This obligation has an outstanding balance of \$4,025 at June 30, 2003.

The payment schedule for the installment purchase obligation as of June 30, 2003, is as follows:

	Principal	Interest	Payment
FY 2004	\$ 3,065	489	\$ 3,554
FY 2005	960	96	1,056
	<u>\$ 4,025</u>	<u>585</u>	<u>\$ 4,610</u>

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
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**Note 11. Long-Term Debt (continued)**

General Obligation Bonds: The District issued School Improvement and Classroom Facilities Bonds on April 4, 2002, in the amount of \$7,774,998 at an average interest rate of 5.04 percent. The purpose of these bonds which included serial bonds, term bonds and capital appreciation bonds, is to pay the local share of school construction under the State of Ohio Classroom Facilities Assistance Program for constructing, furnishing and equipping a new high school auditorium and for the repayment of bond anticipation notes issued for this project. The bonds were issued at a premium of \$258,919. The final maturity amount of the capital appreciation bonds will be \$325,000. The bonds were issued for a twenty-two year period with a maturity date of the bonds is December 1, 2024.

The annual maturities of the Serial general obligation bonds as of June 30, 2003, and related interest payments are as follows:

	Principal	Interest	Payment
FY 2004	\$ 230,000	270,270	\$ 500,270
FY 2005	245,000	263,513	508,513
FY 2006	260,000	256,045	516,045
FY 2007	185,000	266,148	451,148
FY 2008	90,000	279,700	369,700
FY 2009 & Thereafter	5,040,000	2,304,165	7,344,165
	<u>\$ 6,050,000</u>	<u>3,639,841</u>	<u>\$ 9,689,841</u>

The annual maturities of the Term general obligation bonds as of June 30, 2003, and related interest payments are as follows:

	Principal	Interest	Payment
FY 2004	\$ 0	53,500	\$ 53,500
FY 2005	0	53,500	53,500
FY 2006	0	53,500	53,500
FY 2007	0	36,000	36,000
FY 2008	0	17,500	17,500
FY 2009 & Thereafter	1,070,000	767,250	1,837,250
	<u>\$ 1,070,000</u>	<u>981,250</u>	<u>\$ 2,051,250</u>

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
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**Note 11. Long-Term Debt (continued)**

The annual maturities of the Capital Appreciation general obligation bonds as of June 30, 2003, and related interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>
FY 2004	\$ 0	0	\$ 0
FY 2005	0	0	0
FY 2006	0	0	0
FY 2007	48,414	41,586	90,000
FY 2008	92,026	102,974	195,000
FY 2009 & Thereafter	184,560	310,440	495,000
	<u>\$ 325,000</u>	<u>455,000</u>	<u>\$ 780,000</u>

Debt Limitations:

The Ohio Revised Code (ORC) provides that the net debt of a school district, whether or not approved by the people, shall not exceed 9.0% of the total value of all property in the District as listed and assessed for taxation. In addition, the unvoted net debt of a school district cannot exceed .1% of the total assessed value of property. The District has no unvoted debt; the District's unvoted debt limit is \$119,258. The voted debt limit at June 30, 2003 is \$10,733,206.

Principal and interest requirements to all retire general obligation bonds outstanding at June 30, 2003 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>
FY 2004	\$ 230,000	323,770	\$553,770
FY 2005	245,000	317,013	562,013
FY 2006	260,000	309,545	569,545
FY 2007	233,413	343,735	577,148
FY 2008	182,026	400,174	582,200
FY 2009 & Thereafter	6,294,560	3,381,855	9,676,415
	<u>\$ 7,444,999</u>	<u>5,076,092</u>	<u>\$ 12,521,091</u>

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
ASHTABULA COUNTY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003**

**Note 12. Interfund Transactions**

At June 30, 2003, the District had short-term interfund loans which are classified as "interfund receivables/payables." Receivables and payables resulting from goods provided or services rendered are classified as "due from/to other funds." An analysis of interfund balances is as follows:

Interfund Receivables/ Payables:

	Receivables	Payables
General Fund	\$ 4,019	\$ 0
Special Revenue Fund	0	4,019
	<u>\$ 4,019</u>	<u>\$ 4,019</u>

**Note 13. Segments of Enterprise Activities**

Key financial data for the District's Enterprise Funds for the year ended June 30, 2003, are as follows:

	Lunchroom Fund	Uniform School Supply Fund	Total
Operating Revenues	\$ 164,376	971	\$ 165,347
Operating Expenses:			
Depreciation	2,432	0	2,432
Other Expenses	408,188	0	408,188
Total Operating Expenses	<u>410,620</u>	<u>0</u>	<u>410,620</u>
Operating Loss	(246,244)	971	(245,273)
Non Operating Revenues and Expenses:			
Interest Earnings	279	0	279
Operating Grants	235,938	0	235,938
Net Gain	<u>\$ (10,027)</u>	<u>971</u>	<u>\$ (9,056)</u>
Net Working Capital	<u>\$ (5,423)</u>	<u>1,105</u>	<u>\$ (4,318)</u>
Total Assets	<u>\$ 83,932</u>	<u>1,105</u>	<u>\$ 85,037</u>
Total Fund Equity	<u>\$ 26,847</u>	<u>1,105</u>	<u>\$ 27,952</u>

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
ASHTABULA COUNTY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003**

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**Note 14. Jointly Governed Organizations**

Northeast Ohio Management Information Network (NEOMIN) NEOMIN is a jointly governed organization among thirty school districts in Trumbull and Ashtabula Counties. The jointly governed 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 districts. Each of the districts support NEOMIN based upon a per pupil charge.

Superintendents of the participating school districts are eligible to be voting members of the Governing Board which consists of ten members: the Trumbull and Ashtabula County superintendents (permanent members), three superintendents from Ashtabula County school districts, three superintendents from Trumbull County districts, and a treasurer from each county. The District was not represented on the Governing Board during fiscal year 2003. The degree of control exercised by any participating school district is limited to its representation on the Governing Board. A complete set of separate financial statements may be obtained from the Trumbull County Educational Service Center, 347 North Park Avenue, Warren, Ohio, 44481.

Ashtabula County Joint Vocational School District The District is a member of the Ashtabula County Joint Vocational School District. The Ashtabula County Joint Vocational School District has a nine-member board of education and is funded by levying millage and state and federal support.

The District has no ongoing financial interest or financial responsibility to the Ashtabula County Joint Vocational School District.

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

NEO/SERRC is governed by a governing board of 39 members made up of representatives from 35 superintendents of the participating districts, one non-public school, one county board of mental retardation and two parents whose terms rotate each year. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained by contacting the Treasurer at the Mahoning County Educational Service Center, 2801 Market Street, Youngstown, Ohio, 44507.

Andover Public Library The Andover Public Library (the 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 Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies. Although the District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Andover Public Library, Sonia Orahood, Clerk/Treasurer, at 142 Main Street, Andover, Ohio 44003.

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
ASHTABULA COUNTY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003**

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**Note 15. Contingencies**

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2003.

B. Litigation

The District is not a party to any legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending at June 30, 2003.

**Note 16. 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 decision 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 District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

**Note 17. Ohio Schools Council**

The District participates in the Council's electricity purchase program which was implemented during fiscal year 1999. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating for an eight year period. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

Energy Acquisition Corp., a non-profit corporation with a self-appointing board, issued \$119,140,000 in debt to purchase eight years of electricity from Cleveland Electric Illuminating (CEI) for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corp.



**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
ASHTABULA COUNTY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003**

**Note 18. Statutory Reserves**

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

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

During the fiscal year ended June 30, 2003, the reserve activity was as follows:

	Textbook Reserve	Capital Maintenance Reserve	Budget Stabilization Reserve	Total
Balance, 7/1/2002	\$ 8,894	\$ 0	\$ 148,755	\$ 157,649
Base Reserve	192,436	192,436	0	384,872
Offset Credits	0	(166,963)	0	(166,963)
Qualifying Expenditures	(179,624)	0	0	(179,624)
Balance, 6/30/2003	<u>\$ 21,706</u>	<u>\$ 25,473</u>	<u>\$ 148,755</u>	<u>\$ 195,934</u>
June 30, 2003 Cash Balance Carried Forward to FY2004	<u>\$ 21,706</u>	<u>\$ 25,473</u>	<u>\$ 148,755</u>	<u>\$ 195,934</u>

**Note 19. Fund Deficits**

Fund Deficits:

Fund balances at June 30, 2003, included the following individual fund deficits:

Title I	\$ (49,897)
Career Education Grant	\$ (22)
Title II-A	\$ (7,285)

These fund deficits resulted from adjustments for accrued liabilities. The general fund is liable for any deficits in the fund and provides operating transfers when cash is required, not when accruals occur.

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
ASHTABULA COUNTY  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2003**

<b>Federal Grantor/ Pass Through Grantor Program Title</b>	<b>Pass Through Entity Number</b>	<b>Federal CFDA Number</b>	<b>Receipts</b>	<b>Non-Cash Receipts</b>	<b>Expenditures</b>	<b>Non-Cash Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through The Ohio Department of Education.</i>						
<i>Nutrition Cluster:</i>						
Food Distribution Program	N/A	10.550	-	\$28,176	-	\$28,176
School Breakfast Program	05-PU-2002	10.553	\$9,904	-	\$9,904	-
	05-PU-2003		33,738	-	33,738	-
<b>Subtotal -- School Breakfast Program</b>			<b>43,642</b>	<b>-</b>	<b>43,642</b>	<b>-</b>
National School Lunch Program	LL-N4 2002	10.555	20,929	-	20,929	-
	LL-P4 2002		21,137	-	21,137	-
	LL-P4 2003		136,545	-	136,545	-
<b>Subtotal -- School National School Lunch Program</b>			<b>178,611</b>	<b>-</b>	<b>178,611</b>	<b>-</b>
<b>Total U.S. Department of Agriculture – Nutrition Cluster</b>			<b>222,253</b>	<b>28,176</b>	<b>222,253</b>	<b>28,176</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>						
<i>Passed Through The Ohio Department of Mental Retardation and Developmental Disabilities</i>						
<i>Medicaid Cluster:</i>						
Medical Assistance Program	FY 2002	93.778	<b>16,164</b>	-	<b>16,164</b>	-
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through The Ohio Department of Education.</i>						
Grants to Local Educational Agencies						
Title I School Subsidy	C1-S1-2002	84.010	50,177	-	27,451	-
	C1-S1-2003		290,656	-	278,522	-
<b>Total – Title I School Subsidy</b>			<b>340,833</b>	<b>-</b>	<b>305,973</b>	<b>-</b>
<i>Special Education Grants Cluster:</i>						
Title VI - B Special Education Grants to States						
Autism Grant	6B-SX-2002	84.027	<b>1,816</b>	-	<b>23,851</b>	-
Drug Free Education – Subsidy	DR-S1-2003	84.186	<b>7,676</b>	-	<b>7,339</b>	-
Assistive Technology	AT-S3-2002	84.224	2,251	-	2,251	-
	AT-S4-2002		5,563	-	-	-
<b>Total -- Assistive Technology</b>			<b>7,814</b>	<b>-</b>	<b>2,251</b>	<b>-</b>
Innovative Education Program Strategies	CS-S1-2002	84.298	1,400	-	1,400	-
	CS-S1-2003		1,480	-	5,477	-
<b>Total -- Innovative Education Program Strategies</b>			<b>2,880</b>	<b>-</b>	<b>6,877</b>	<b>-</b>
Technology Literacy Challenge Fund Grants	TJ-S1-2003	84.318	<b>1,452</b>	-	<b>216</b>	-
Title VI - R						
Class Size Reduction Subsidy	CS-S1-2002	84.340	<b>15,684</b>	-	<b>15,481</b>	-
Improving Teacher Quality State Grants	TR-S1-2003	84.367	<b>46,396</b>	-	<b>45,255</b>	-
<b>Total – U.S. Department of Education</b>			<b>424,551</b>	<b>-</b>	<b>407,243</b>	<b>-</b>
<b>Totals</b>			<b>\$662,968</b>	<b>\$28,176</b>	<b>\$645,660</b>	<b>\$28,176</b>

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

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
ASHTABULA COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR FISCAL YEAR ENDED JUNE 30, 2003**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B- FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2003, had no significant food commodities in inventory.

**NOTE C - MATCHING REQUIREMENTS**

Certain Federal programs require that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

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**Auditor of State  
Betty Montgomery**

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

Pymatuning Valley Local School District  
Ashtabula County  
5571 Route 6 West  
Andover, Ohio 44003

To The Board of Education:

We have audited the financial statements of Pymatuning Valley Local School District, Ashtabula County, (the "District") as of and for the year ended June 30, 2003, and have issued our report thereon dated January 9, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated January 9, 2004.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated January 9, 2004.

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

This report is intended for the information and use of management, the audit committee, the Board, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

January 9, 2004



**Auditor of State  
Betty Montgomery**

**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**

Pymatuning Valley Local School District  
Ashtabula County  
5571 Route 6 West  
Andover, Ohio 44003

To The Board of Education:

**Compliance**

We have audited the compliance of Pymatuning Valley Local School District, Ashtabula County, (the District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to of its major federal program for the year ended June 30, 2003. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2003.

**Internal Control Over Compliance**

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs.

In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

This report is intended for the information and use of management, the audit committee, the Board, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

January 9, 2004



**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT  
ASHTABULA COUNTY  
JUNE 30, 2003**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 §.505**

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

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Nutrition Cluster CFDA's 10.550, 10.553 and 10.555
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: > All Others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

Finding Number	None
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**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

Finding Number	None
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**Auditor of State  
Betty Montgomery**

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P.O. Box 1140  
Columbus, Ohio 43216-1140

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800-282-0370

Facsimile 614-466-4490

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT**

**ASHTABULA 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  
MARCH 4, 2004**