



Dave Yost • Auditor of State

**SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Symmes Valley Local School District, Lawrence County, Ohio (the School District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the School District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Symmes Valley Local School District, Lawrence County, Ohio, as of June 30, 2013, and the respective changes in financial position thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended June 30, 2013, the School District adopted the provisions of Governmental Accounting Standards No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the School District's basic financial statements taken as a whole.

The Federal Awards Receipts and Expenditures Schedule (the Schedule) presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

The Schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this Schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this Schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this Schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2014, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

January 23, 2014

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Symmes Valley Local School District, Ohio

Management's Discussion and Analysis

For the Fiscal Year June 30, 2013

Unaudited

The discussion and analysis of the Symmes Valley Local School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the financial statements and the notes to the financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2013 are as follows:

- Net position of governmental activities decreased \$397,578.
- General revenues accounted for \$6,995,454 in revenue or 77.9 percent of all revenues. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$1,985,828 or 22.1 percent of total revenues of \$8,981,282.
- The School District had \$9,378,860 in expenses related to governmental activities; only \$1,985,828 of these expenses were offset by program specific charges for services, grants, contributions, and interest. General revenues (primarily taxes and intergovernmental) of \$6,995,454 were not adequate to cover the remaining expenses.
- The School District has one major fund, the General Fund, which had \$7,717,237 in revenues and \$7,731,073 in expenditures. The General Fund's balance decreased \$12,968.
- Total governmental funds had \$9,047,265 in revenues and \$9,108,029 in expenditures. The total governmental fund balance decreased \$29,559.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions.

The Statement of Net Position and the Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column.

Reporting the School District as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the large number of funds used by the School District to provide programs and activities for students, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2013?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Symmes Valley Local School District, Ohio

Management's Discussion and Analysis

For the Fiscal Year June 30, 2013

Unaudited

These two statements report the School District's net position and changes in position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors.

In the Statement of Net Position and the Statement of Activities, all of the School District's activities are reported as governmental including instruction, support services, operation of non-instructional services, debt service, and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 10. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multiple of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's only major governmental fund is the General Fund.

Governmental Funds All of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Fiduciary Funds The School District accounts for resources held for the benefit of parties outside the government as fiduciary funds. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the School District's own programs. The School District uses accrual accounting for fiduciary funds.

Symmes Valley Local School District, Ohio

Management's Discussion and Analysis

For the Fiscal Year June 30, 2013

Unaudited

THE SCHOOL DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2013 compared to 2012.

Table 1
Net Position

	Governmental Activities		
	2013	2012	Change
Assets			
Current and Other Assets	\$5,572,666	\$5,646,969	(\$74,303)
Capital Assets	7,560,423	7,987,152	(426,729)
Total Assets	13,133,089	13,634,121	(501,032)
Liabilities			
Long-Term Liabilities	603,233	803,260	(200,027)
Other Liabilities	1,021,065	1,014,144	6,921
Total Liabilities	1,624,298	1,817,404	(193,106)
Deferred Inflow of Resources	848,537	758,885	89,652
Net Position			
Invested in Capital Assets, Net of Related Debt	7,511,523	7,885,852	(374,329)
Restricted	1,080,210	1,219,157	(138,947)
Unrestricted	2,068,521	1,952,823	115,698
Total Net Position	\$10,660,254	\$11,057,832	(\$397,578)

Total Net Position of governmental activities decreased \$397,578. This is primarily due to capital assets decreasing \$426,729, which is the result of additions not keeping pace with deletions and depreciation.

In total, liabilities decreased \$193,106. This is due to decreases in accrued wages and benefits payable in the amount of \$123,977 and long-term liabilities in the amount of \$200,027, combined with increases in matured compensated absences in the amount of \$43,863 and vacation benefits payable in the amount of \$44,129. The decrease in accrued wages and benefits payable are due to the timing of the measurement. The decreases in long-term liabilities are the result of debt payments.

Symmes Valley Local School District, Ohio

Management's Discussion and Analysis

For the Fiscal Year June 30, 2013

Unaudited

Table 2 shows the changes in net assets for the fiscal year ended June 30, 2013, and comparisons to fiscal year 2012.

Table 2
Changes in Net Position

	Governmental Activities		
	2013	2012	Change
Revenues			
Program Revenues:			
Charges for Services	\$898,429	\$804,475	\$93,954
Operating Grants, Contributions and Interest	1,086,046	964,812	121,234
Capital Grants, Contributions and Interest	1,353	0	1,353
	<u>1,985,828</u>	<u>1,769,287</u>	<u>216,541</u>
General Revenues:			
Property Taxes	1,069,516	1,176,968	(107,452)
Grants and Entitlements	5,803,138	5,979,302	(176,164)
Investment Earnings	29,772	25,249	4,523
Payments in Lieu of Taxes	4,784	0	4,784
Miscellaneous	57,039	40,896	16,143
Insurance Recoveries	31,205	0	31,205
	<u>6,995,454</u>	<u>7,222,415</u>	<u>(226,961)</u>
Total Revenues	<u>8,981,282</u>	<u>8,991,702</u>	<u>(10,420)</u>
Program Expenses			
Instruction:			
Regular	3,899,480	4,390,190	(490,710)
Special	943,025	1,060,900	(117,875)
Vocational	153,168	170,141	(16,973)
Support Services:			
Pupils	292,179	232,838	59,341
Instructional Staff	323,603	327,323	(3,720)
Board of Education	83,605	119,283	(35,678)
Administration	438,463	555,092	(116,629)
Fiscal	402,053	364,378	37,675
Operation and Maintenance of Plant	915,587	887,217	28,370
Pupil Transportation	1,073,710	1,024,084	49,626
Central	112,683	88,163	24,520
Operation of Non-Instructional Services:			
Food Service Operations	441,535	381,848	59,687
Extracurricular Activities	281,391	262,655	18,736
Interest and Fiscal Charges	18,378	26,592	(8,214)
Total Expenses	<u>9,378,860</u>	<u>9,890,704</u>	<u>(511,844)</u>
Decrease in Net Assets	(397,578)	(899,002)	501,424
Net Assets at Beginning of Year	<u>11,057,832</u>	<u>11,956,834</u>	<u>(899,002)</u>
Net Assets at End of Year	<u>\$10,660,254</u>	<u>\$11,057,832</u>	<u>(\$397,578)</u>

Property taxes made up approximately 11.9 percent of revenues for governmental activities for the School District. Of the remaining revenues, the School District receives 76.7 percent from state foundation, federal, and state grants; 10.0 percent from charges for services; and 1.4 percent from interest and local entities.

Symmes Valley Local School District, Ohio

Management's Discussion and Analysis

For the Fiscal Year June 30, 2013

Unaudited

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. As the result of legislation enacted in 1976, the overall revenue generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increases in value is comparable to other property owners) the effective tax rate would become 0.5 mills and the owner would still pay \$35.00. This legislation helps explain the increase in the District's taxable value accompanied by the decrease in tax revenue. Property taxes made up just 11.9 percent of revenues for governmental activities for the School District in 2013. Additionally, increases in property taxes would only have a nominal effect upon the School District's total revenue. This is due to the funding formula in place in Ohio, any increase in property tax revenue would be offset by a corresponding decrease in state funding the School District would receive.

Approximately 53.3 percent of the School District's budget is used to fund instructional expenses. Support services make up 38.8 percent of expenses and 7.9 percent is used for fiscal charges, extracurricular activities, and non-instructional services.

The Statement of Activities shows the cost of program services and the charges for services, grants, contributions, and interest earnings offsetting those services. Table 3 shows the total cost of services and the net cost of services. In other words, it identifies the cost of those services supported by tax revenue and unrestricted State entitlements.

**Table 3
Governmental Activities**

	2013 Total Cost of Services	2013 Net Cost of Services	2012 Total Cost of Services	2012 Net Cost of Services
Program Expenses				
Instruction:				
Regular	\$3,899,480	\$2,997,941	\$4,390,190	\$3,601,085
Special	943,025	594,627	1,060,900	677,694
Vocational	153,168	104,636	170,141	170,141
Support Services:				
Pupils	292,179	292,179	232,838	232,838
Instructional Staff	323,603	223,070	327,323	250,866
Board of Education	83,605	83,605	119,283	119,283
Administration	438,463	433,011	555,092	541,967
Fiscal	402,053	386,077	364,378	364,378
Operation and Maintenance of Plant	915,587	815,577	887,217	845,557
Pupil Transportation	1,073,710	1,073,710	1,024,084	1,005,182
Central	112,683	109,083	88,163	84,563
Non-Instructional Services:				
Food Service Operations	441,535	64,210	381,848	10,941
Extracurricular Activities	281,391	196,928	262,655	190,330
Interest and Fiscal Charges	18,378	18,378	26,592	26,592
Totals	\$9,378,860	\$7,393,032	\$9,890,704	\$8,121,417

The dependence upon tax revenues and state subsidies for governmental activities is apparent. 78.8 percent of total expenses are supported through taxes and other general revenues.

Symmes Valley Local School District, Ohio

Management's Discussion and Analysis

For the Fiscal Year June 30, 2013

Unaudited

THE SCHOOL DISTRICT FUNDS

The School District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$9,047,265 and expenditures of \$9,108,029.

The fund balance of the General Fund increased \$12,968. The General Fund's unassigned fund balance of \$2,362,475 represented 30.5% of current year expenditures.

General Fund Budgeting Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal 2013, the School District did amend its General Fund estimated revenues numerous times. The School District uses a modified site-based budgeting technique which is designed to tightly control total site budgets but provide flexibility for site management.

For the General Fund, the final budget basis revenue estimate was \$7,739,410, which represented a 6.8 percent change from original estimates of \$8,301,501. The final budget basis expenditure estimate of \$7,833,657 represented only a modest change from the original estimates of \$7,781,747.

The School District's ending unobligated General Fund balance was \$3,143,691.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2013, the School District had \$7,560,423 invested in land, construction in progress, land improvements, buildings and improvements, furniture, fixtures, and equipment, and vehicles. Table 4 shows fiscal year 2013 balances compared to 2012.

Table 4
Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2013	2012
Land	\$111,779	\$111,779
Land Improvements	299,254	317,591
Buildings and Improvements	6,781,851	7,115,289
Furniture, Fixtures, and Equipment	176,038	179,044
Vehicles	191,501	263,449
Totals	<u>\$7,560,423</u>	<u>\$7,987,152</u>

For additional information on capital assets, see Note 11 to the basic financial statements.

Symmes Valley Local School District, Ohio

Management's Discussion and Analysis

For the Fiscal Year June 30, 2013

Unaudited

Debt

At June 30, 2013, the School District had outstanding Refunding Bonds for \$165,000, Table 5 shows fiscal year 2013 balances compared to 2012

	Governmental Activities	
	2013	2012
1998 Refunding Bonds:		
Capital Appreciation Bonds	\$48,900	\$101,300
Accretion on Capital Appreciation Bonds	116,100	210,319
Totals	<u>\$165,000</u>	<u>\$311,619</u>

For additional information on debt, see Note 16 to the basic financial statements.

CURRENT ISSUES

The financial future of the School District is not without its challenges. These challenges are external and internal in nature. The internal challenges will continue to exist, as the School District must rely heavily on local property taxes. Due to slow economic growth, the School District does not foresee any sustainable growth in revenue from property taxes. Thus management must diligently plan expenses from the modest growth attained, staying carefully within its five-year forecast. Additional revenues from what was estimated must not be treated as a windfall to expand programs but as an opportunity to extend the time horizon of the five-year forecast.

Externally, the School District is largely dependent on State funding sources (approximately 76.7 percent of the School District's operating funds come from State foundation payments and other entitlements). State foundation revenue is fundamentally a function of student enrollment and a district's property tax wealth. The School District continues to see a slight decline in student enrollment and while State revenue growth has shifted toward school districts with low property tax wealth, declining enrollment has served to somewhat offset any increase in State funding.

Although higher per-pupil funding has helped the School District lessen the impact of increased instructional expenses, much of the positive impact has been offset by other negative financial factors that occurred in the past year (decreasing enrollment and increased utility costs). In the long run, the fact remains that as long as the State avoids the complete systematic overhaul the Supreme Court ordered in its initial ruling, all schools in Ohio will be faced with the same problem in the future – either increasing its revenue (passing levies) or decreasing expenses (making budget cuts).

As the preceding information shows, the School District continues to depend upon its taxpayers. Although the School District has attempted to keep spending in line with revenues, and carefully watched financial planning, it must improve its revenue to expense ratios if the School District hopes to remain on firm financial footing.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions or need additional information, contact Jack Webb, Treasurer at Symmes Valley Local School District, 14778 State Route 141, Willow Wood, Ohio 45696.

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Symmes Valley Local School District, Ohio

Statement of Net Position

June 30, 2013

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$4,278,927
Materials and Supplies Inventory	2,669
Intergovernmental Receivable	137,220
Property Taxes Receivable	1,146,827
Accrued Interest Receivable	19
Accounts Receivable	7,004
Nondepreciable Capital Assets	111,779
Depreciable Capital Assets, Net	<u>7,448,644</u>
 <i>Total Assets</i>	 <u>13,133,089</u>
Liabilities	
Accounts Payable	59,310
Accrued Wages and Benefits Payable	647,401
Contracts Payable	3,825
Intergovernmental Payable	222,537
Matured Compensated Absences	43,863
Vacation Benefits Payable	44,129
Long-Term Liabilities:	
Due within One Year	227,578
Due in More than One Year	<u>375,655</u>
 <i>Total Liabilities</i>	 <u>1,624,298</u>
Deferred Inflows of Resources	
Property Taxes not Levied to Finance Current Year Operations	<u>848,537</u>
Net Position	
Invested in Capital Assets, Net of Related Debt	7,511,523
Restricted for:	
Debt Service	153,655
Capital Projects	325,988
Other Purposes	557,626
Budget Stabilization	42,941
Unrestricted	<u>2,068,521</u>
 <i>Total Net Position</i>	 <u><u>\$10,660,254</u></u>

See accompanying notes to the basic financial statements

Symmes Valley Local School District, Ohio
Statement of Activities
For the Fiscal Year Ended June, 30, 2013

	Expenses	Program Revenues		Capital Grants, Contributions and Interest	Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants, Contributions and Interest		
Governmental Activities					
Instruction:					
Regular	\$3,899,480	\$713,945	\$187,594	\$0	(\$2,997,941)
Special	943,025	0	348,398	0	(594,627)
Vocational	153,168	0	48,532	0	(104,636)
Support Services:					
Pupils	292,179	0	0	0	(292,179)
Instructional Staff	323,603	15,511	85,022	0	(223,070)
Board of Education	83,605	0	0	0	(83,605)
Administration	438,463	0	5,452	0	(433,011)
Fiscal	402,053	0	15,976	0	(386,077)
Operation and Maintenance of Plant	915,587	0	98,657	1,353	(815,577)
Pupil Transportation	1,073,710	0	0	0	(1,073,710)
Central	112,683	0	3,600	0	(109,083)
Operation of Non-Instructional Services:					
Food Service Operations	441,535	100,250	277,075	0	(64,210)
Extracurricular Activities	281,391	68,723	15,740	0	(196,928)
Interest and Fiscal Charges	18,378	0	0	0	(18,378)
Totals	\$9,378,860	\$898,429	\$1,086,046	\$1,353	(7,393,032)
General Revenues					
Property Taxes Levied for:					
General Purposes					968,270
Debt Service					85,217
Classroom Facilities Maintenance					16,029
Grants and Entitlements not Restricted to Specific Programs					5,803,138
Investment Earnings					29,772
Payments in Lieu of Taxes					4,784
Miscellaneous					57,039
Insurance Recoveries					31,205
Total General Revenues					6,995,454
Change in Net Assets					(397,578)
Net Position at Beginning of Year					11,057,832
Net Position at End of Year					\$10,660,254

See accompanying notes to the basic financial statements

Symmes Valley Local School District, Ohio

*Balance Sheet
Governmental Funds
June 30, 2013*

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$3,194,889	\$1,040,341	\$4,235,230
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	43,697	0	43,697
Receivables:			
Property Taxes	1,055,005	91,822	1,146,827
Intergovernmental	51,415	85,805	137,220
Accrued Interest	19	0	19
Interfund	20,729	0	20,729
Accounts	7,004	0	7,004
Materials and Supplies Inventory	0	2,669	2,669
Total Assets	\$4,372,758	\$1,220,637	\$5,593,395
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$47,066	\$12,244	\$59,310
Accrued Wages and Benefits Payable	586,072	61,329	647,401
Contracts Payable	0	3,825	3,825
Interfund Payable	0	20,729	20,729
Intergovernmental Payable	195,298	27,239	222,537
Matured Compensated Absences	43,863	0	43,863
Total Liabilities	872,299	125,366	997,665
Deferred Inflow of Resources			
Property Taxes not Levied to Finance Current Year Operations	785,044	63,493	848,537
Unavailable Revenue - Delinquent Taxes	205,957	21,602	227,559
Unavailable Revenue - Grants	0	8,391	8,391
Total Deferred Inflow of Resources	991,001	93,486	1,084,487
Fund Balances			
Nonspendable	0	2,669	2,669
Restricted	43,697	706,891	750,588
Committed	40,994	0	40,994
Assigned	62,292	325,988	388,280
Unassigned (Deficits)	2,362,475	(33,763)	2,328,712
Total Fund Balances	2,509,458	1,001,785	3,511,243
Total Liabilities and Fund Balances	\$4,372,758	\$1,220,637	\$5,593,395

See accompanying notes to the basic financial statements

Symmes Valley Local School District, Ohio
*Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
June 30, 2013*

Total Governmental Fund Balances		\$3,511,243
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds.		7,560,423
Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the funds:		
Property Taxes	227,559	
Grants	8,391	235,950
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Capital Appreciation Bonds	(48,900)	
Accretion on Capital Appreciation Bonds	(116,100)	
Sick Leave Benefits Payable	(438,233)	
Vacation Benefits Payable	(44,129)	(647,362)
 Net Position of Governmental Activities		 \$10,660,254

See accompanying notes to the basic financial statements

Symmes Valley Local School District, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2013

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	\$971,323	\$101,590	\$1,072,913
Intergovernmental	5,918,409	1,042,372	6,960,781
Investment Earnings	29,772	1,353	31,125
Tuition and Fees	713,945	0	713,945
Charges for Services	0	100,250	100,250
Extracurricular	15,511	68,723	84,234
Payment in Lieu of Taxes	4,784	0	4,784
Donations	6,454	15,740	22,194
Miscellaneous	57,039	0	57,039
<i>Total Revenues</i>	<u>7,717,237</u>	<u>1,330,028</u>	<u>9,047,265</u>
Expenditures			
Current:			
Instruction:			
Regular	3,590,664	179,376	3,770,040
Special	523,464	353,254	876,718
Vocational	151,189	0	151,189
Support Services:			
Pupils	278,126	0	278,126
Instructional Staff	205,861	91,105	296,966
Board of Education	83,605	0	83,605
Administration	422,093	5,842	427,935
Fiscal	394,942	4,596	399,538
Operation and Maintenance of Plant	847,449	75,221	922,670
Pupil Transportation	954,123	0	954,123
Central	106,890	1,946	108,836
Operation of Non-Instructional Services:			
Food Service Operations	0	399,421	399,421
Extracurricular Activities	172,667	101,195	273,862
Debt Service:			
Principal Retirement	0	52,400	52,400
Interest and Fiscal Charges	0	112,600	112,600
<i>Total Expenditures</i>	<u>7,731,073</u>	<u>1,376,956</u>	<u>9,108,029</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(13,836)</u>	<u>(46,928)</u>	<u>(60,764)</u>
Other Financing Sources (Uses)			
Transfers In	0	4,401	4,401
Insurance Recoveries	31,205	0	31,205
Transfers Out	(4,401)	0	(4,401)
<i>Total Other Financing Sources (Uses)</i>	<u>26,804</u>	<u>4,401</u>	<u>31,205</u>
<i>Net Change in Fund Balance</i>	12,968	(42,527)	(29,559)
<i>Fund Balances at Beginning of Year</i>	<u>2,496,490</u>	<u>1,044,312</u>	<u>3,540,802</u>
<i>Fund Balances at End of Year</i>	<u><u>\$2,509,458</u></u>	<u><u>\$1,001,785</u></u>	<u><u>\$3,511,243</u></u>

See accompanying notes to the basic financial statements

Symmes Valley Local School District, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2013*

Net Change in Fund Balances - Total Governmental Funds (\$29,559)

***Amounts reported for governmental activities in the statement
of activities are different because***

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:

Capital Asset Additions	55,361	
Depreciation Expense	<u>(482,090)</u>	(426,729)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Grants	(93,791)	
Delinquent Taxes	<u>(3,397)</u>	(97,188)

Repayment of principal and the refunding of debt is an expenditure in the governmental funds, but the repayments reduces long-term liabilities in the statement of net assets:

165,000

In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, interest is expended when due:

Annual Accretion		(18,381)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Sick Leave Benefits Payable	53,408	
Vacation Benefits Payable	<u>(44,129)</u>	<u>9,279</u>

Change in Net Assets of Governmental Activities (\$397,578)

See accompanying notes to the basic financial statements

Symmes Valley Local School District, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2013*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$1,174,800	\$1,042,836	\$1,042,836	\$0
Intergovernmental	6,270,612	5,892,154	5,892,154	0
Investment Earnings	31,699	29,786	29,786	0
Tuition and Fees	759,803	713,945	713,945	0
Extracurricular	16,507	15,511	15,511	0
Revenue in Lieu of Taxes	5,091	4,784	4,784	0
Donations	6,869	6,454	6,454	0
Miscellaneous	36,120	33,940	33,940	0
<i>Total Revenues</i>	<u>8,301,501</u>	<u>7,739,410</u>	<u>7,739,410</u>	<u>0</u>
Expenditures				
Current:				
Instruction:				
Regular	3,562,881	3,586,648	3,586,648	0
Special	528,029	531,553	531,552	1
Vocational	168,247	169,369	169,369	0
Support Services:				
Pupils	275,863	277,703	277,703	0
Instructional Staff	231,513	233,058	233,057	1
Board of Education	83,768	84,327	84,327	0
Administration	431,757	434,636	434,636	0
Fiscal	400,015	402,684	402,684	0
Operation and Maintenance of Plant	863,004	868,761	868,761	0
Pupil Transportation	961,367	967,778	967,778	0
Central	105,827	106,533	106,533	0
Extracurricular Activities	169,476	170,607	170,607	0
<i>Total Expenditures</i>	<u>7,781,747</u>	<u>7,833,657</u>	<u>7,833,655</u>	<u>2</u>
<i>Excess of Revenues Over Expenditures</i>	<u>519,754</u>	<u>(94,247)</u>	<u>(94,245)</u>	<u>2</u>
Other Financing Sources (Uses)				
Insurance Recoveries	0	31,205	31,205	0
Transfers Out	(4,372)	(4,401)	(4,401)	0
Advances Out	0	0	(19,452)	(19,452)
<i>Total Other Financing Sources (Uses)</i>	<u>(4,372)</u>	<u>26,804</u>	<u>7,352</u>	<u>(19,452)</u>
<i>Net Change in Fund Balance</i>	515,382	(67,443)	(86,893)	(19,450)
<i>Fund Balance at Beginning of Year</i>	3,215,411	3,215,411	3,215,411	0
Prior Year Encumbrances Appropriated	15,173	15,173	15,173	0
<i>Fund Balance at End of Year</i>	<u>\$3,745,966</u>	<u>\$3,163,141</u>	<u>\$3,143,691</u>	<u>(\$19,450)</u>

See accompanying notes to the basic financial statements

Symmes Valley Local School District, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2013

Assets

Equity in Pooled Cash and Cash Equivalents	<u><u>\$41,459</u></u>
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Liabilities

Due to Students	<u><u>\$41,459</u></u>
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See accompanying notes to the basic financial statements

Symmes Valley Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2013

Note 1 - Description of the School District and Reporting Entity

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

The School District operates under a locally-elected five-member Board form of government and provides educational services as authorized by State statute and federal guidelines. This Board of Education controls the School District's two instructional/support facilities staffed by 35 classified employees and 62 certified teaching personnel and 13 administrative personnel who provide services to 819 students and other community members.

Reporting Entity

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

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

The School District participates in four organizations, the South Central Ohio Computer Association, a jointly governed organization, and the Better Business Bureau of Central Ohio Workers' Compensation Group Retrospective Rating Program, the Ohio School Plan, and the Lawrence County Schools Council of Governments Health Benefits Program, which are defined as insurance purchasing pools. These organizations are presented in Notes 18 and 19 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Symmes Valley Local School District, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Government-wide Financial Statements The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for the fiduciary funds. The statements usually distinguish between those activities that are governmental (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). The School District, however, has no business-type activities.

The statement of net position presents the financial condition of the governmental activities of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department, and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program; grants and contributions that are restricted to meeting the operational or capital requirements of a particular program; and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are two categories of funds utilized by the School District: governmental and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following is the School District's only major governmental fund:

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

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

Symmes Valley Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2013

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The School District's only fiduciary funds are agency funds which account for student activities.

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position. The statement of activities accounts for increases (revenues) and decreases (expenses) in total net position.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-Exchange Transactions 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. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year end.

Non-exchange transactions, in which the School 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 (See Note 8). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Symmes Valley Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2013

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

Deferred Outflows/Inflows of Resources In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2013, but which are levied to finance fiscal year 2014 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

E. Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as "equity in pooled cash and cash equivalents". During fiscal year 2013, the School District had no investments.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is credited to the General Fund and the Permanent Improvements Capital Project Fund. Interest revenue credited to the General Fund during fiscal year 2013 amounted to \$29,772, which includes \$7,099 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented as cash and cash equivalents.

F. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories consist of expendable supplies held for consumption and donated and purchased food.

Symmes Valley Local School District, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

G. Capital Assets

All of the School District's capital assets are general capital assets resulting from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. The School District was able to estimate the historical cost for the initial reporting of certain assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful life of the related capital asset. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	20 years
Buildings and Improvements	20-50 years
Furniture, Fixtures, and Equipment	5-20 years
Vehicles	3-10 years

H. Internal Activity

Transfers within governmental activities are eliminated on the government-wide statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used aren't eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

I. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets include amounts required by statute to be set-aside by the School District for Capital Improvements and Budget Stabilization. See Note 20 for additional information regarding set-asides.

Symmes Valley Local School District, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The liability for vacation benefits is recorded as "vacation benefits payable", rather than long-term liabilities, as the balances are to be used by employees in the fiscal year following the fiscal year earned.

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

K. Accrued Liabilities and Long-term Obligations

All payables, matured compensated absences, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, and special termination benefits that are paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds are recognized as a liability on the governmental fund financial statements when due.

L. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in governmental funds. The classifications are as follows:

Nonspendable: The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.

Restricted: Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or it is imposed by law through constitutional provisions.

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Education. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for the use in satisfying those contractual requirements.

Symmes Valley Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2013

Assigned: Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Education or a School District official delegated that authority by resolution or State Statute.

Unassigned: Unassigned fund balance is the residual classification for the General Fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report deficit balances.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which the amounts in any of the unrestricted fund balance classifications can be used.

M. Interfund Balances

Interfund receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities column of the statement of net position.

N. Estimates

The preparation of the 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.

O. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Net position restricted for other purposes include resources restricted for food service operations and federal and state grants restricted for specific purposes.

The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

Symmes Valley Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2013

Q. Budgetary Process

All funds, other than the agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer has been authorized to allocate appropriations to the function and object levels.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts in the amended certificate in effect when final appropriations for the fiscal year were passed.

The appropriation resolution is subject to amendment throughout the fiscal year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

Note 3 - Changes in Accounting Principles

For fiscal year 2013, the School District has implemented Governmental Accounting Standard Board (GASB) Statement No. 60, "Accounting and Financial Reporting for Service Concession Agreements"; Statement No. 61, "Accounting and Financial Reporting Entity: Omnibus"; Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements"; Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position"; Statement No. 65, "Items Previously Reported as Assets and Liabilities"; and Statement No. 66, "Technical Corrections – 2012 – an Amendment of GASB Statements No. 10 and No.62".

GASB Statement No. 60 improves financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. The implementation of this statement did not result in any change in the School District's financial statements.

GASB Statement No. 61 modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity and the financial reporting entity display and disclosure requirements. These changes were incorporated in the School District's fiscal year 2013 financial statements; however, there was no effect on the beginning net position and/or fund balance.

GASB Statement No. 62 incorporates into GASB's authoritative literature certain FASB and AICPA pronouncements issued on or before November 30, 1989. The implementation of this statement did not result in any change in the School District's financial statements.

GASB Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related note disclosures. These changes were incorporated in the School District's fiscal year 2013 financial statements; however, there was no effect on beginning net position/fund balance.

Symmes Valley Local School District, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

GASB Statement No. 65 properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These changes were incorporated in the School District's fiscal year 2013 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 66 resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of financial reports. The implementation of this statement did not result in any change in the School District's financial statements.

Note 4 - Fund Deficits

The following funds had deficit fund balances as of June 30, 2013:

	<u>Deficit</u>
Special Revenue Funds:	
Food Service	\$29,868
Title VI-B	820
Miscellaneous Federal Grants	406

These deficits resulted from payables recorded in accordance with Generally Accepted Accounting Principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 5 - Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Symmes Valley Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2013

Fund Balances	General Fund	Other Governmental Funds	Total
Nonspendable:			
Materials and Supplies Inventory	\$0	\$2,669	\$2,669
Restricted for:			
Athletics	0	17,922	17,922
Early Childhood Education	0	8,000	8,000
Debt Service	0	135,289	135,289
Capital Improvements	0	503,912	503,912
Other Purposes	756	41,768	42,524
Budget Stabilization	42,941	0	42,941
<i>Total Restricted</i>	43,697	706,891	750,588
Committed to:			
Other Purposes	40,994	0	40,994
Assigned to:			
Other Purposes	62,292	0	62,292
Capital Improvements	0	325,988	325,988
<i>Total Assigned</i>	62,292	325,988	388,280
Unassigned:	2,362,475	(33,763)	2,328,712
<i>Total Fund Balances</i>	\$2,509,458	\$1,001,785	\$3,511,243

Note 6 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis) for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP (modified accrual) basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than committed or assigned fund balance (GAAP basis).
4. Advances In and Advances Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
5. Unrecorded cash is reported on the balance sheet (GAAP) but not on the budgetary basis.

Symmes Valley Local School District, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

Net Change in Fund Balance	
GAAP Basis	\$12,968
Revenue Accruals	22,140
Expenditure Accruals	(7,687)
Unreported Items:	
Beginning of Year	33
Advances	(19,452)
Encumbrances	<u>(94,895)</u>
Budget Basis	<u><u>(\$86,893)</u></u>

Note 7 - Deposits and Investments

Monies held by the School District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the School District treasury. Active monies must be maintained either as cash in the School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

Interim monies held by the School District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

Symmes Valley Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2013

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) above;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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. Investments may only be made through specified dealers and institutions.

Deposits Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year-end, \$4,137,556 of the School District's bank balance of \$4,387,556 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

The School District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Note 8 - Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar 2013 represents collections of calendar year 2012 taxes. Real property taxes received in calendar year 2013 were levied after April 1, 2012, on the assessed value listed as of January 1, 2012, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2013 represents collections of calendar year 2012 taxes. Public utility real and tangible personal property taxes received in calendar year 2013 became a lien December 31, 2011, were levied after April 1, 2012, and are collected with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Lawrence and Gallia Counties. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2013, are available to finance fiscal year 2013 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Symmes Valley Local School District, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

Accrued property taxes receivable includes real and public utility taxes which are measurable as of June 30, 2013, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows – property taxes.

The amount available as an advance at June 30, 2013, was \$64,004 in the General Fund, \$5,723 in the Bond Retirement Debt Service Fund, and \$1,004 in the Classroom Facilities Maintenance Special Revenue Fund. The amount available as an advance at June 30, 2012, was \$135,517 in the General Fund, \$11,963 in the Bond Retirement Debt Service Fund, and \$2,227 in the Classroom Facilities Maintenance Special Revenue Fund.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as unavailable revenue.

The assessed values upon which the fiscal year 2013 taxes were collected are:

	2012 Second- Half Collections		2013 First- Half Collections	
Agricultural/Residential and Other Real Estate	\$44,704,370	85.48%	\$47,495,740	86.33%
Public Utility Personal	6,517,130	12.46%	6,805,400	12.37%
General Business Personal	1,076,160	2.06%	713,970	1.30%
Total	\$52,297,660	100.00%	\$55,015,110	100.00%
 Tax Rate per \$1,000 of Assessed Valuation			\$24.80	\$24.80

Note 9 - Receivables

Receivables at June 30, 2013, consisted of property taxes, accounts (rents, student fees, and tuition), interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables, except delinquent property taxes, are expected to be collected in one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amounts
Public Preschool	\$17,432
High Schools That Work	2,730
Title VI-B IDEA	26,396
Title I	26,876
Title II-A	10,726
Rural and Low Income	1,645
E-Rate Reimbursement	26,255
Miscellaneous	25,160
Total	\$137,220

Symmes Valley Local School District, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

Note 10 - Contractual Commitments

As of June 30, 2013, the School District's contractual purchase commitments for the Parking Lot Tile Replacement and Repaving Project are as follows:

Vendor	Fund	Contract Amount	Amount Expended	Balance at 06/30/13
Donny Craft Excavating	Classroom Maintenance Special Projects Fund	\$79,690	\$0	\$79,690
Supreme Asphalt	Classroom Maintenance Special Projects Fund	73,212	0	73,212
Total Contractual Commitments		<u>\$152,902</u>	<u>\$0</u>	<u>\$152,902</u>

Note 11 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

	Balance at 6/30/12	Additions	Deductions	Balance at 6/30/13
Capital Assets:				
Capital Assets not being Depreciated:				
Land	\$111,779	\$0	\$0	\$111,779
Depreciable Capital Assets:				
Land Improvements	894,911	14,619	0	909,530
Buildings and Improvements	14,864,560	26,742	0	14,891,302
Furniture, Fixtures, and Equipment	517,965	14,000	0	531,965
Vehicles	1,239,904	0	0	1,239,904
Total Depreciable Capital Assets	<u>17,517,340</u>	<u>55,361</u>	<u>0</u>	<u>17,572,701</u>
Less Accumulated Depreciation:				
Land Improvements	(577,320)	(32,956)	0	(610,276)
Buildings and Improvements	(7,749,271)	(360,180)	0	(8,109,451)
Furniture, Fixtures, and Equipment	(338,921)	(17,006)	0	(355,927)
Vehicles	(976,455)	(71,948)	0	(1,048,403)
Total Accumulated Depreciation	<u>(9,641,967)</u>	<u>(482,090) *</u>	<u>0</u>	<u>(10,124,057)</u>
Total Capital Assets being Depreciated, Net	<u>7,875,373</u>	<u>(426,729)</u>	<u>0</u>	<u>7,448,644</u>
Capital Assets, Net	<u>\$7,987,152</u>	<u>(\$426,729)</u>	<u>\$0</u>	<u>\$7,560,423</u>

*Depreciation expense was charged to governmental functions as follows:

Symmes Valley Local School District, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

Instruction:		
Regular		\$151,093
Special		38,635
Vocational		8,316
Support Services:		
Pupils		14,053
Instructional Staff		28,105
Administration		17,575
Fiscal		10,530
Operation and Maintenance of Plant		31,604
Pupil Transportation		120,661
Central		3,523
Food Service Operations		41,716
Extracurricular Activities		<u>16,279</u>
Total Depreciation Expense		<u><u>\$482,090</u></u>

The School District's capital assets above include \$3,244,989 in fully depreciated capital assets that are still being utilized by the School District.

Note 12 - Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2013, the School District contracted with Hylant Administrative Services for property and fleet insurance. The type and amount of coverage provided follows:

<u>Property</u>	<u>Deductible</u>	<u>Limits of Coverage</u>
Building and Contents - Replacement Cost	\$1,000	\$31,421,865
Vehicles:		
Bodily Injury:		
Per Person	0	1,000,000
Per Accident	0	1,000,000
Property Damage	0	3,000,000
Uninsured Motorist:		
Per Person	0	1,000,000
Per Accident	0	1,000,000

The School District has joined together with other school districts in Ohio to participate in the Ohio School Plan (OSP), an insurance purchasing pool. Each individual school district enters into an agreement with OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays its annual premium to the OSP (See Note 19).

Symmes Valley Local School District, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

The types and amounts of coverage provided by the Ohio School Plan are as follows:

Property	Deductible	Limits of Coverage
General Liability:		
Each Occurrence	0	3,000,000
Aggregate Limit	0	3,000,000
Products - Completed Operations Aggregate Limit	0	3,000,000
Fire Legal Liability	0	500,000
Medical Expense Liability - per person/accident	0	10,000
Employers' Liability:		
Each Occurrence	0	3,000,000
Per Disease Each Employee	0	3,000,000
Per Disease Aggregate	0	3,000,000
Employee Benefits Liability:		
Each Occurrence	2,500	3,000,000
Aggregate Limit	2,500	5,000,000
Educational Liability:		
Errors and Omissions - Each Occurrence	2,500	3,000,000
Errors and Omissions - Aggregate Limit	2,500	5,000,000

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been so significant reduction in insurance coverage from fiscal year 2012.

For fiscal year 2013, the School District participated in the Better Business Bureau of Central Ohio workers' Compensation Group Retrospective Rating Program (GRP), an insurance purchasing pool (Note 19). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate of the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley Uniservice, Inc. Managed Care Organization provides administrative, cost control, and actuarial services to the GRP.

Group Health

The School District participates in the Lawrence County Schools Council of Governments Health Benefits Program to provide employee medical benefits. Rates are set through an annual calculation process. The School District pays monthly premiums to the fiscal agent, which is placed into a Council Fund from which claim payments are made for all participating school districts. The School District pays 75% of the premium for all employees.

Claims are paid for all participants regardless of claims flow. Upon withdrawal from the program, no further contribution will be made and the School District will be distributed their net pooled share and all claims submitted by covered members of the School District after the distribution will be exclusively the liability of the School District.

Symmes Valley Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2013

Note 13 - Defined Benefit Pension Plans

A. School Employees Retirement System

Plan Description – The School District contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple employer 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 visiting the SERS website at www.ohsers.org under Employer/Audit Resources.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among the four funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For the fiscal year ended June 30, 2013, the allocation for pension and death benefits was 13.10 percent. The remaining .9 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Funds. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2013, 2012, and 2011, were \$145,544, \$132,056, and \$133,835, respectively; 31.89 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

B. State Teachers Retirement System

Plan Description – 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 (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

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 multiplied by a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent 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 member may elect to receive a monthly annuity or a lump sum withdrawal. The Combined 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. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. 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 of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Symmes Valley Local School District, Ohio

*Notes to the Basic Financial Statements
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Funding Policy – For the fiscal year ended June 30, 2013, plan members were required to contribute 10 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. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent 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 STRS for the fiscal years ended June 30, 2013, 2012, and 2011, were \$449,890, \$518,975, and \$430,301, respectively; 82.66 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011. Contributions to the DC and Combined Plans for fiscal year 2013 were \$6,251 made by the School District and \$4,465 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Retirement System. As of June 30, 2013, no member of the Board of Education had elected Social Security. The contribution rate is 6.2 percent of wages.

Note 14 - Postemployment Benefits

A. School Employees Retirement System

Plan Description – The School District participates in two cost-sharing, multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certified retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, Medicare Advantage, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2013, 0.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2013, this amount was \$20,525.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2013, 2012, and 2011, were \$17,924, \$25,915, and \$3,093, respectively; 11.92 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

Symmes Valley Local School District, Ohio

Notes to the Basic Financial Statements
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The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2013, this actuarially required allocation was 0.74 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2013, 2012, and 2011, were \$7,930, \$7,748, and \$8,560, respectively; 29.39 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

B. State Teachers Retirement System

Plan Description – The School District contributes to the cost-sharing, multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board the authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2013, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2013, 2012, and 2011, were \$34,607, \$39,921, and \$33,100, respectively; 82.66 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

Note 15 - Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days vacation per fiscal year, depending upon length of service. Vacation from one fiscal year may be carried forward to future fiscal years.. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. There is no limit to the amount of sick leave that may be accumulated. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave to a maximum of 70 days for certified employees and 65 days for classified employees.

B. Insurance Benefits

The School District provides medical, health, and prescription card coverage through Anthem Blue Cross and Blue Shield. The School District pays 90% of the total monthly premiums of \$1,589.28 for family coverage and \$643.43 for single coverage.

The School District provides life insurance and accidental death and dismemberment insurance to certificated and administrative employees through Guardian Insurance Company in the amount of \$35,000.

The School District provides dental insurance through Guardian Insurance Company. The School District pays 75% of the total monthly premium of \$64.68 for family coverage and \$19.60 for single coverage.

Symmes Valley Local School District, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

Note 16 - Long-Term Obligations

Changes in long-term obligations of the School District during fiscal year 2013 were as follows:

	Principal Outstanding 6/30/12	Additions	Deductions	Principal Outstanding 6/30/13	Amounts Due in One Year
Governmental Activities:					
1998 Refunding Bonds:					
Capital Appreciation Bonds - 7.9% - 8.24%	\$101,300	\$0	\$52,400	\$48,900	\$48,900
Accretion on Capital Appreciation Bonds	210,319	18,381	112,600	116,100	116,100
Total Refunding Bonds	311,619	18,381	165,000	165,000	165,000
Sick Leave Benefits Payable	491,641	0	53,408	438,233	62,578
Total Governmental Activities Long-Term Liabilities	<u>\$803,260</u>	<u>\$18,381</u>	<u>\$218,408</u>	<u>\$603,233</u>	<u>\$227,578</u>

School Improvement General Obligation Bonds On July 1, 1990, the School District issued \$1,530,000 in voted general obligation bonds for the purposes of constructing a new elementary school and renovations to the high school. The bonds were issued for a 23 year period with final maturity at October 1, 2013. These bonds were refunded in 1998.

On January 26, 1998, the School District issued \$1,408,900 in general obligation refunding bonds to replace \$1,435,000 of outstanding 1990 School Improvement General Obligation Bonds. This bond issue included serial and capital appreciation bonds in the amounts of \$1,065,000 and \$343,900, respectively. \$1,540,865 (after premium, underwriting fees and other issuance costs) was deposited into an irrevocable trust to provide for all future debt service payments on the refunded 1990 School Improvement Bonds. As of June 30, 2013, \$165,000 of the refunded bonds was still outstanding.

The Capital Appreciation Bonds mature October 1, 2008, through October 1, 2013. The maturity amount of the bonds is \$970,000. For fiscal year 2013, \$18,381 was accreted for a total bond value of \$165,000.

Annual requirements to retire general obligation bonds, including accreted interest of \$116,100, are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2014	\$48,900	\$116,100

The sick leave benefits payable will be paid from the fund from which the employees' salaries are paid which includes the General Fund, and the Food Service, Title VI-B Idea, and the Title I Special Revenue Funds.

The School District's overall legal debt margin was \$4,951,360, with an unvoted debt margin of \$55,015 at June 30, 2013

Symmes Valley Local School District, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

Note 17 - Interfund Activity and Balances

A. Transfers

During fiscal year 2013, the General Fund made transfers to the Athletics Special Revenue Fund in the amount of \$4,401. The transfers were used to move unrestricted revenue collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

B. Interfund Balances

Interfund balances at June 30, 2013, arise from the provision of cash flow resources from the General Fund until the receipt of grant monies by the Special Revenue Funds.

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	<u>\$20,729</u>	<u>\$0</u>
Other Governmental Funds:		
Food Service	0	5,908
Early Childhood	0	1,041
Title VI-B IDEA	<u>0</u>	<u>13,780</u>
Total Other Governmental Funds	<u>0</u>	<u>20,729</u>
Total All Funds	<u><u>\$20,729</u></u>	<u><u>\$20,729</u></u>

Note 18 - Jointly Governed Organization

A. South Central Ohio Computer Association

The South Central Ohio Computer Association (SCOCA) is a jointly governed organization among public school districts within the boundaries of Highland, Adams, Pike, Scioto, Brown, Ross, and Lawrence Counties. The organization was formed with the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA consists of two representatives from each of the seven participating counties and one representative from the fiscal agent. The School District paid \$59,763 for services provided during fiscal year 2013. To obtain financial information write to the Pike County Joint Vocational School District, P.O. Box 577, 23365 State Route 124, Piketon, Ohio 45661.

Note 19 - Insurance Purchasing Pools

A. Better Business Bureau of Central Ohio Workers' Compensation Group Retrospective Rating Program

The School District participates in the Better Business Bureau of Central Ohio Worker's Compensation Group Retrospective Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of trustees consisting of the President, the Vice President, and the Secretary. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Symmes Valley Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2013

B. Lawrence County Schools Council of Governments Health Benefits Program

The School District participates in the Lawrence County Schools Council of Governments Health Benefits Program (Council), a shared risk pool created pursuant to State statute for the purpose of administering health care benefits. The Council is governed by a council, which consists of the superintendent from each participating school district. The council elects officers for one-year terms to serve on the Board of Directors. The council exercises control over the operation of the Council. All council revenues are generated from charges for services received from the participating school districts, based on the established premiums for the insurance plans. The Lawrence County Educational Service Center is the fiscal agent of the council. Each School District reserves the right to withdraw from the plan. If this is done, no further contributions will be made and the school district's net pooled share will be distributed and all claims submitted by covered members of the school district after the distribution will be exclusively the liability of the school district.

C. Ohio School Plan

The School District participates in the Ohio School Plan (OSP), and insurance purchasing pool. The OSP is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a fifteen member Board of Directors consisting of school district superintendents and treasurers, as well as the president of Harcum-Hyre Insurance Agency, Inc. and a partner of the Hylant Group, Inc. Hylant Group, Inc. is the Administrator of the OSP and is responsible for processing claims. Harcum-Hyre Insurance Agency, Inc. is the sales and marketing representative, which establishes agreements between the OSP and member school districts.

Note 20 - Set-Aside Calculations

The School District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end and carried forward to be used for the same purposes in future years. In prior fiscal years, the School District was also required to set aside money for budget stabilization and textbooks.

Effective April 10, 2001, through Amended Substitute Senate Bill 345, the requirements for school districts to establish and appropriate money for the budget stabilization was deleted from law. A school district may still establish reserve balance accounts consistent with Section 5705.13, Revised Code, if it so chooses; however, the requirement is no longer mandatory. In addition, any money on hand in a school district's budget reserve set-aside as of April 10, 2001, may at the discretion of the board of education be returned to the school district's General Fund or may be left in the account and used by the board to offset any budget deficit the district may experience in future years. The bill placed special conditions on any Bureau or Workers' Compensation monies remaining in the budget reserve. During fiscal year 2002, the Board of Education passed a resolution to maintain only the refunds from the Bureau of Workers' Compensation in the budget reserve pursuant to State Statute and at June 30, 2013, this is all that continues to be set aside.

Symmes Valley Local School District, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

The following cash basis information describes the changes in the fiscal year end set-aside amounts for capital acquisitions. Disclosure of this information is required by the State statute.

	<u>Capital Improvements</u>	<u>Budget Reserve</u>
Set-Aside Reserve Balance as of as of June 30, 2012	\$0	\$42,941
Current Year Set-Aside Requirement	136,734	0
Current Year Offsets	(58,378)	0
Qualifying Disbursements	(77,600)	0
Totals	<u>\$756</u>	<u>\$42,941</u>
Set-Aside Balance Carried Forward to Future Fiscal Years	<u>\$756</u>	<u>\$42,941</u>
Set-Aside Reserve Balance as of June 30, 2013	<u>\$756</u>	<u>\$42,941</u>

Note 21 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2013, if applicable, cannot be determined at this time.

B. Litigation

The School District is currently not party to any legal proceedings.

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**SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

FEDERAL GRANTOR/ Pass Through Grantor Program Title	Grant Year	Federal CFDA Number	Receipts	Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed Through Ohio Department of Education:</i>				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
National School Lunch Program	2012/2013	10.555	\$ 19,761	\$ 19,761
Cash Assistance:				
School Breakfast Program	2012/2013	10.553	63,226	63,226
National School Lunch Program	2012/2013	10.555	174,454	174,454
Cash Assistance Subtotal			<u>237,680</u>	<u>237,680</u>
Total Child Nutrition Cluster			<u>257,441</u>	<u>257,441</u>
Total U.S. Department of Agriculture			257,441	257,441
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>Passed Through Ohio Department of Education:</i>				
Title I Grants to Local Educational Agencies	2012 2013	84.010	11,100 <u>261,125</u>	25,341 <u>220,998</u>
Total Title I Grants to Local Educational Agencies			<u>272,225</u>	<u>246,339</u>
Special Education Grants to States	2012 2013	84.027	(6,402) <u>169,207</u>	6,110 <u>182,987</u>
Total Special Education Grants to States			<u>162,805</u>	<u>189,097</u>
Education Technology State Grants	2012	84.318	1,915	1,915
Rural Education	2012 2013	84.358	5,907 <u>12,488</u>	6,598 <u>12,196</u>
Total Rural Education			<u>18,395</u>	<u>18,794</u>
Improving Teacher Quality State Grants	2012 2013	84.367	6,351 <u>61,460</u>	8,348 <u>59,618</u>
Total Improving Teacher Quality State Grants			<u>67,811</u>	<u>67,966</u>
Education Jobs Fund	2013	84.410	37,008	52,093
ARRA - Race To the Top	2013	84.395	<u>1,400</u>	<u>1,400</u>
Total U.S. Department of Education			<u>561,559</u>	<u>577,604</u>
Total Federal Awards Receipts and Expenditures			<u>\$ 819,000</u>	<u>\$ 835,045</u>

The Notes to the Federal Awards Receipts and Expenditures Schedule are an integral part of the Schedule.

**SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) reports the School District's federal award programs' receipts and disbursements. The Schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

The School District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the School District assumes it expends federal monies first.

NOTE C - FOOD DONATION PROGRAM

The School District reports commodities consumed on the Schedule at the fair value. The School District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Symmes Valley Local School District, Lawrence County, Ohio (the School District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated January 23, 2014, wherein we noted the School District has adopted Governmental Accounting Standards Board Statement Nos. 63 and 65.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the School District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the School District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the School District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the School District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "Y" and "O".

Dave Yost
Auditor of State

Columbus, Ohio

January 23, 2014



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited the Symmes Valley Local School District's, Lawrence County, Ohio (the School District), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the School District's major federal program for the year ended June 30, 2013. The *Summary of Auditor's Results* in the accompanying Schedule of Findings identifies the School District's major federal program.

Management's Responsibility

The School District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the School District's compliance for each of the School District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the School District's major program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on the Major Federal Program

In our opinion, the School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2013.

Report on Internal Control Over Compliance

The School District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the School District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

January 23, 2014

**SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2013**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list): <ul style="list-style-type: none"> • Title I Grants to Local Educational Agencies – CFDA #84.010 	
<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**

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

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INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED-UPON PROCEDURE

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

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether the Symmes Valley Local School District, Lawrence County, Ohio, has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board amended its anti-harassment policy at its meeting on December 17, 2007 to include prohibiting harassment, intimidation, or bullying of any student "on a school bus" or by an "electronic act".

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board 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 "Dave Yost".

Dave Yost
Auditor of State

Columbus, Ohio

January 23, 2014

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Dave Yost • Auditor of State

SYMMES VALLEY LOCAL SCHOOL DISTRICT

LAWRENCE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 6, 2014**