



**Auditor of State  
Betty Montgomery**



**BLOOM VERNON LOCAL SCHOOL DISTRICT  
SCIOTO COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Bloom Vernon Local School District  
Scioto County  
P.O. Box 237  
South Webster, Ohio 45682

To the Board of Education:

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

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Bloom Vernon Local School District, Scioto County, as of June 30, 2002 and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2003, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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The accompanying Schedule of Federal Awards Receipts and Expenditures is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general purpose financial statements. In our opinion, it is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

**Betty Montgomery**  
Auditor of State

March 18, 2003

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**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Combined Balance Sheet

All Fund Types and Account Groups

June 30, 2002

**GOVERNMENTAL FUND TYPES**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b><u>Assets and Other Debits:</u></b>				
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$56,140	\$246,336	\$205,802	\$514,105
Receivables:				
Taxes	780,861	18,670	218,961	38,890
Intergovernmental	8,231	210,865	0	146,856
Accrued Interest	100	0	0	0
Interfund	61,818	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	17,942	0	0	0
Prepaid Items	35,569	197	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	70,676	0	0	0
Cash and Cash Equivalents with Fiscal Agents	0	0	0	60,950
Fixed Assets (Net of Accumulated Depreciation)	0	0	0	0
<b><u>Other Debits:</u></b>				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	<u>\$1,031,337</u>	<u>\$476,068</u>	<u>\$424,763</u>	<u>\$760,801</u>



<i>PROPRIETARY FUND TYPE</i>	<i>FIDUCIARY FUND TYPE</i>	<i>ACCOUNT GROUPS</i>		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Agency			
\$0	\$21,940	\$0	\$0	\$1,044,323
0	0	0	0	1,057,382
0	0	0	0	365,952
0	0	0	0	100
0	0	0	0	61,818
8,089	0	0	0	8,089
342	0	0	0	18,284
0	0	0	0	35,766
0	0	0	0	70,676
0	0	0	0	60,950
178,690	0	20,457,904	0	20,636,594
0	0	0	230,046	230,046
0	0	0	1,404,059	1,404,059
<u>\$187,121</u>	<u>\$21,940</u>	<u>\$20,457,904</u>	<u>\$1,634,105</u>	<u>\$24,994,039</u>

(Continued)

**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Combined Balance Sheet

All Fund Types and Account Groups

June 30, 2002

(Continued)

**GOVERNMENTAL FUND TYPES**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b><u>Liabilities.</u></b>				
<b><u>Fund Equity and Other Credits:</u></b>				
<b><u>Liabilities:</u></b>				
Accounts Payable	\$55,368	\$8,889	\$0	\$70,151
Contracts Payable	0	0	0	39,405
Accrued Wages and Benefits	495,443	168,104	0	0
Compensated Absences Payable	14,238	0	0	0
Retainage Payable	0	0	0	60,950
Interfund Payable	0	61,537	0	281
Intergovernmental Payable	106,877	30,186	0	0
Deferred Revenue	695,070	51,858	194,717	181,455
Undistributed Monies	0	0	0	0
Due to Students	0	0	0	0
Energy Conservation Loan Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	<u>1,366,996</u>	<u>320,574</u>	<u>194,717</u>	<u>352,242</u>
<b><u>Fund Equity and Other Credits:</u></b>				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	4,161	4,743	0	197,916
Reserved for Property Taxes	85,791	1,905	24,244	4,291
Reserved for Bus Purchases	70,676	0	0	0
Unreserved:				
Undesignated (Deficit)	<u>(496,287)</u>	<u>148,846</u>	<u>205,802</u>	<u>206,352</u>
Total Fund Equity (Deficit) and Other Credits	<u>(335,659)</u>	<u>155,494</u>	<u>230,046</u>	<u>408,559</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$1,031,337</u>	<u>\$476,068</u>	<u>\$424,763</u>	<u>\$760,801</u>

See accompanying notes to the general purpose financial statements

<i>PROPRIETARY FUND TYPE</i>	<i>FIDUCIARY FUND TYPE</i>	<i>ACCOUNT GROUPS</i>		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Agency			
\$0	\$0	\$0	\$0	\$134,408
0	0	0	0	39,405
36,078	0	0	0	699,625
12,749	0	0	346,497	373,484
0	0	0	0	60,950
0	0	0	0	61,818
13,953	0	0	55,250	206,266
0	0	0	0	1,123,100
0	15,033	0	0	15,033
0	6,907	0	0	6,907
0	0	0	37,358	37,358
0	0	0	1,195,000	1,195,000
62,780	21,940	0	1,634,105	3,953,354
0	0	20,457,904	0	20,457,904
124,341	0	0	0	124,341
0	0	0	0	206,820
0	0	0	0	116,231
0	0	0	0	70,676
0	0	0	0	64,713
124,341	0	20,457,904	0	21,040,685
\$187,121	\$21,940	\$20,457,904	\$1,634,105	\$24,994,039

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**BLOOM VERNON LOCAL SCHOOL DISTRICT**  
 Combined Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 All Governmental Fund Types  
 For the Fiscal Year Ended June 30, 2002

	<b>GOVERNMENTAL FUND TYPES</b>				Totals
	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
<b><u>Revenues:</u></b>					
Property Taxes	\$713,191	\$16,654	\$200,462	\$35,480	\$965,787
Intergovernmental	5,310,894	1,433,358	25,142	286,221	7,055,615
Interest	23,663	0	0	21,026	44,689
Tuition and Fees	1,102	0	0	0	1,102
Rent	1,600	100	0	0	1,700
Extracurricular Activities	0	60,133	0	0	60,133
Gifts and Donations	4,000	1,962	0	1,875	7,837
Customer Services	8,231	0	0	0	8,231
Miscellaneous	69,330	3,212	0	0	72,542
<i>Total Revenues</i>	<u>6,132,011</u>	<u>1,515,419</u>	<u>225,604</u>	<u>344,602</u>	<u>8,217,636</u>
<b><u>Expenditures:</u></b>					
Current:					
Instruction:					
Regular	2,499,630	576,074	0	223	3,075,927
Special	381,591	478,589	0	0	860,180
Vocational	70,376	0	0	0	70,376
Adult/Continuing	403	56,952	0	0	57,355
Support Services:					
Pupils	195,498	76,615	0	0	272,113
Instructional Staff	377,450	134,233	0	58,440	570,123
Board of Education	25,500	0	0	0	25,500
Administration	693,342	58,943	6,894	1,220	760,399
Fiscal	167,051	6,166	5,249	882	179,348
Business	29,591	0	0	0	29,591
Operation and Maintenance of Plant	931,050	13,314	0	4,138	948,502
Pupil Transportation	632,594	1,827	0	0	634,421
Central	1,061	26,858	0	0	27,919
Operation of Non-Instructional					
Services	135	1,557	0	0	1,692
Extracurricular Activities	96,259	24,592	0	0	120,851
Capital Outlay	48,560	0	0	1,053,615	1,102,175
Intergovernmental	0	42,020	0	0	42,020
Debt Service:					
Principal Retirement	0	0	102,150	0	102,150
Interest and Fiscal Charges	0	0	78,873	0	78,873
<i>Total Expenditures</i>	<u>6,150,091</u>	<u>1,497,740</u>	<u>193,166</u>	<u>1,118,518</u>	<u>8,959,515</u>
Excess of Revenues Over (Under) Expenditures	<u>(18,080)</u>	<u>17,679</u>	<u>32,438</u>	<u>(773,916)</u>	<u>(741,879)</u>
<b><u>Other Financing Sources (Uses):</u></b>					
Proceeds From Sale of Fixed Assets	16,719	0	0	0	16,719
Operating Transfers In	938	20,267	20,327	10,921	52,453
Operating Transfers Out	(59,055)	(938)	0	(10,921)	(70,914)
<i>Total Other Financing Sources (Uses)</i>	<u>(41,398)</u>	<u>19,329</u>	<u>20,327</u>	<u>0</u>	<u>(1,742)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(59,478)</u>	<u>37,008</u>	<u>52,765</u>	<u>(773,916)</u>	<u>(743,621)</u>
Fund Balances (Deficit) at Beginning of Year	<u>(276,181)</u>	<u>118,486</u>	<u>177,281</u>	<u>1,182,475</u>	<u>1,202,061</u>
Fund Balances (Deficit) at End of Year	<u>(\$335,659)</u>	<u>\$155,494</u>	<u>\$230,046</u>	<u>\$408,559</u>	<u>\$458,440</u>

See accompanying notes to the general purpose financial statements

**BLOOM VERNON LOCAL SCHOOL DISTRICT**  
 Combined Statement of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual (Budget Basis)  
 All Governmental Fund Types  
 For the Fiscal Year Ended June 30, 2002

	<b>GENERAL FUND</b>			<b>SPECIAL REVENUE FUNDS</b>		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b><u>Revenues:</u></b>						
Property Taxes	\$710,923	\$710,923	\$0	\$16,820	\$16,820	\$0
Intergovernmental	5,310,894	5,310,894	0	1,237,311	1,237,311	0
Interest	27,850	27,850	0	0	0	0
Tuition and Fees	1,102	1,102	0	0	0	0
Rent	1,600	1,600	0	100	100	0
Extracurricular Activities	0	0	0	60,133	60,133	0
Gifts and Donations	4,000	4,000	0	1,962	1,962	0
Miscellaneous	84,950	84,950	0	3,212	3,212	0
<i>Total Revenues</i>	<u>6,141,319</u>	<u>6,141,319</u>	<u>0</u>	<u>1,319,538</u>	<u>1,319,538</u>	<u>0</u>
<b><u>Expenditures:</u></b>						
Current:						
Instruction:						
Regular	2,325,492	2,325,492	0	512,059	512,059	0
Special	370,429	370,429	0	480,965	480,965	0
Vocational	70,192	70,192	0	0	0	0
Adult/Continuing	0	0	0	56,369	56,369	0
Other	211,193	211,193	0	0	0	0
Support Services:						
Pupils	204,516	204,516	0	78,040	78,040	0
Instructional Staff	387,048	387,048	0	136,502	136,502	0
Board of Education	28,243	28,243	0	0	0	0
Administration	680,503	680,503	0	58,824	58,824	0
Fiscal	163,724	163,724	0	6,262	6,262	0
Business	30,291	30,291	0	0	0	0
Operation and Maintenance of Plant	956,719	956,719	0	30,714	30,714	0
Pupil Transportation	643,807	643,807	0	1,826	1,826	0
Central	987	987	0	27,028	27,028	0
Operation of Non-Instructional Services	135	135	0	1,557	1,557	0
Extracurricular Activities	96,493	96,493	0	24,677	24,677	0
Capital Outlay	50,960	50,960	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
<i>Total Expenditures</i>	<u>6,220,732</u>	<u>6,220,732</u>	<u>0</u>	<u>1,414,823</u>	<u>1,414,823</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(79,413)</u>	<u>(79,413)</u>	<u>0</u>	<u>(95,285)</u>	<u>(95,285)</u>	<u>0</u>
<b><u>Other Financing Sources (Uses):</u></b>						
Proceeds from Sale of Fixed Assets	16,719	16,719	0	0	0	0
Operating Transfers In	70,097	938	(69,159)	23,047	20,267	(2,780)
Operating Transfers Out	(129,714)	(60,555)	69,159	(3,718)	(938)	2,780
Advances In	0	0	0	61,537	61,537	0
Advances Out	(61,537)	(61,537)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(104,435)</u>	<u>(104,435)</u>	<u>0</u>	<u>80,866</u>	<u>80,866</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(183,848)</u>	<u>(183,848)</u>	<u>0</u>	<u>(14,419)</u>	<u>(14,419)</u>	<u>0</u>
Fund Balances at Beginning of Year	146,532	146,532	0	197,997	197,997	0
Prior Year Encumbrances Appropriated	104,674	104,674	0	49,665	49,665	0
Fund Balances at End of Year	<u>\$67,358</u>	<u>\$67,358</u>	<u>\$0</u>	<u>\$233,243</u>	<u>\$233,243</u>	<u>\$0</u>

See accompanying notes to the general purpose financial statements

<i>DEBT SERVICE FUND</i>			<i>CAPITAL PROJECTS FUNDS</i>			<i>TOTALS (MEMORANDUM ONLY)</i>		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$199,621	\$199,621	\$0	\$35,331	\$35,331	\$0	\$962,695	\$962,695	\$0
25,142	25,142	0	220,441	220,441	0	6,793,788	6,793,788	0
0	0	0	21,026	21,026	0	48,876	48,876	0
0	0	0	0	0	0	1,102	1,102	0
0	0	0	0	0	0	1,700	1,700	0
0	0	0	0	0	0	60,133	60,133	0
0	0	0	1,875	1,875	0	7,837	7,837	0
0	0	0	0	0	0	88,162	88,162	0
<u>224,763</u>	<u>224,763</u>	<u>0</u>	<u>278,673</u>	<u>278,673</u>	<u>0</u>	<u>7,964,293</u>	<u>7,964,293</u>	<u>0</u>
0	0	0	223	223	0	2,837,774	2,837,774	0
0	0	0	0	0	0	851,394	851,394	0
0	0	0	0	0	0	70,192	70,192	0
0	0	0	0	0	0	56,369	56,369	0
0	0	0	0	0	0	211,193	211,193	0
0	0	0	0	0	0	282,556	282,556	0
0	0	0	58,440	58,440	0	581,990	581,990	0
0	0	0	0	0	0	28,243	28,243	0
6,894	6,894	0	1,220	1,220	0	747,441	747,441	0
5,461	5,461	0	882	882	0	176,329	176,329	0
0	0	0	0	0	0	30,291	30,291	0
0	0	0	4,138	4,138	0	991,571	991,571	0
0	0	0	0	0	0	645,633	645,633	0
0	0	0	0	0	0	28,015	28,015	0
0	0	0	0	0	0	1,692	1,692	0
0	0	0	0	0	0	121,170	121,170	0
0	0	0	1,552,232	1,552,232	0	1,603,192	1,603,192	0
102,150	102,150	0	0	0	0	102,150	102,150	0
78,873	78,873	0	0	0	0	78,873	78,873	0
<u>193,378</u>	<u>193,378</u>	<u>0</u>	<u>1,617,135</u>	<u>1,617,135</u>	<u>0</u>	<u>9,446,068</u>	<u>9,446,068</u>	<u>0</u>
<u>31,385</u>	<u>31,385</u>	<u>0</u>	<u>(1,338,462)</u>	<u>(1,338,462)</u>	<u>0</u>	<u>(1,481,775)</u>	<u>(1,481,775)</u>	<u>0</u>
0	0	0	0	0	0	16,719	16,719	0
20,327	20,327	0	10,921	10,921	0	124,392	52,453	(71,939)
0	0	0	(10,921)	(10,921)	0	(144,353)	(72,414)	71,939
0	0	0	0	0	0	61,537	61,537	0
0	0	0	0	0	0	(61,537)	(61,537)	0
<u>20,327</u>	<u>20,327</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,242)</u>	<u>(3,242)</u>	<u>0</u>
51,712	51,712	0	(1,338,462)	(1,338,462)	0	(1,485,017)	(1,485,017)	0
154,090	154,090	0	669,357	669,357	0	1,167,976	1,167,976	0
0	0	0	875,738	875,738	0	1,030,077	1,030,077	0
<u>\$205,802</u>	<u>\$205,802</u>	<u>\$0</u>	<u>\$206,633</u>	<u>\$206,633</u>	<u>\$0</u>	<u>\$713,036</u>	<u>\$713,036</u>	<u>\$0</u>

**BLOOM VERNON LOCAL SCHOOL DISTRICT**

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

	<u><i>Food Service</i></u>
<b><u>Operating Revenues:</u></b>	
Sales	<u>\$133,737</u>
<b><u>Operating Expenses:</u></b>	
Salaries	166,745
Fringe Benefits	76,969
Purchased Services	585
Materials and Supplies	10,840
Cost of Sales	108,135
Depreciation	4,851
Other	<u>1,478</u>
<i>Total Operating Expenses</i>	<u>369,603</u>
Operating Loss	<u>(235,866)</u>
<b><u>Non-Operating Revenues:</u></b>	
Federal and State Subsidies	179,904
Federal Donated Commodities	33,770
Loss on Sale of Fixed Assets	(2,999)
Donated Assets	<u>157,595</u>
<i>Total Non-Operating Revenues</i>	<u>368,270</u>
Income Before Operating Transfers	132,404
Operating Transfers In	<u>18,461</u>
Net Income	150,865
Retained Earnings (Deficit) at Beginning of Year	<u>(26,524)</u>
Retained Earnings at End of Year	<u><u>124,341</u></u>

See accompanying notes to the general purpose financial statements



**BLOOM VERNON LOCAL SCHOOL DISTRICT**  
Statement of Revenues, Expenses and  
Changes in Fund Equity - Budget and Actual (Budget Basis)  
Enterprise Fund  
For the Fiscal Year Ended June 30, 2002

	<b>FOOD SERVICE</b>		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b><u>Revenues:</u></b>			
Sales	\$133,737	\$133,737	\$0
Federal and State Subsidies	179,904	179,904	0
<i>Total Revenues</i>	313,641	313,641	0
<b><u>Expenses:</u></b>			
Salaries	166,426	166,426	0
Fringe Benefits	73,784	73,784	0
Purchased Services	585	585	0
Materials and Supplies	89,705	89,705	0
Capital Outlay	124	124	0
Other	1,478	1,478	0
<i>Total Expenses</i>	332,102	332,102	0
Excess of Revenues Under Expenses	(18,461)	(18,461)	0
Operating Transfers In	18,461	18,461	0
Excess of Revenues Over Expenses and Transfers	0	0	0
Fund Equity at Beginning of Year	0	0	0
Fund Equity at End of Year	\$0	\$0	\$0

See accompanying notes to the general purpose financial statements

**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Statement of Cash Flows

Enterprise Fund

For the Fiscal Year Ended June 30, 2002

<u><b>Increase (Decrease) in Cash and Cash Equivalents:</b></u>	<u><b>Food Service</b></u>
<u><b>Cash Flows from Operating Activities:</b></u>	
Cash Received from Sales	\$133,737
Cash Payments to Suppliers for Goods and Services	(90,414)
Cash Payments to Employees for Services	(166,426)
Cash Payments for Employee Benefits	(73,784)
Cash Payments for Other Operating Expenses	(1,478)
Net Cash Used for Operating Activities	(198,365)
<u><b>Cash Flows from Noncapital Financing Activities:</b></u>	
Federal and State Subsidies	179,904
Operating Transfers - In	18,461
Net Cash Provided by Noncapital Financing Activities	198,365
Net Increase in Cash and Cash Equivalents	0
Cash and Cash Equivalents at Beginning of Year	0
Cash and Cash Equivalents at End of Year	\$0

**Reconciliation of Operating Loss to Net**

**Cash Used for Operating Activities:**

Operating Loss (\$235,866)

**Adjustments to Reconcile Operating Loss**

**to Net Cash Used for Operating Activities:**

Depreciation 4,851  
Donated Commodities Used During Year 28,064  
Changes in Assets and Liabilities:  
Increase in Inventory Held for Resale (716)  
Increase in Materials and Supplies Inventory (259)  
Increase in Accrued Wages and Benefits Payable 5,313  
Decrease in Compensated Absences Payable (2,075)  
Increase in Intergovernmental Payable 2,323

Total Adjustments 37,501

Net Used for Operating Activities (\$198,365)

**Non-Cash Transactions:**

During fiscal year 2002, the food service enterprise fund received \$33,770 in donated commodities. The enterprise fund also received donated fixed assets in the amount of \$157,595 from the governmental funds.

See accompanying notes to the general purpose financial statements

**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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

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

The School District was established in 1968 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 84 square miles. It is located in Scioto County, and includes all of the Village of South Webster and portions of Bloom and Vernon Townships. It is staffed by 55 non-certificated employees, 78 certificated full-time teaching personnel and 7 administrative employees who provide services to 1,030 students and other community members. The School District currently operates two instructional buildings and one administrative building.

*Reporting Entity:*

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

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

The following organizations which perform activities within the School District's boundaries for the benefit of its residents are excluded from the accompanying financial statements because the School District is not financially accountable for these organizations nor are they fiscally dependent on the School District:

- Boosters Clubs
- Parent - Teacher Organizations
- Village of South Webster

***BLOOM VERNON LOCAL SCHOOL DISTRICT***

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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

(continued)

The School District participates in six organizations, three of which are defined as jointly governed organizations, one as a public entity shared risk pool, and two as insurance purchasing pools. These organizations are the South Central Ohio Computer Association (SCOCA), the Coalition of Rural and Appalachian Schools, Pilasco-Ross Special Education Regional Resource Center, the Scioto County Schools Council, the Ohio School Boards Association Workers' Compensation Group Rating Plan, and the Ohio School Plan. These organizations are presented in Notes 16, 17, and 18 to the general purpose financial statements.

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

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

**A. Basis Of Presentation - Fund Accounting**

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net available expendable resources.

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

**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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

*Governmental Fund Types:*

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

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

*Special Revenue Funds* – The special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes.

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

*Capital Projects Funds* - The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

*Proprietary Fund Type:*

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

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

*Fiduciary Fund Types:*

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

**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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

*Account Groups:*

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

*General Fixed Assets Account Group* - This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary fund.

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

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

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

The proprietary fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Fund equity (i.e., net total assets) is reported as retained earnings. Proprietary fund operating statement presents increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

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

The modified accrual basis of accounting is followed for the governmental and agency funds. The full accrual basis of accounting is followed for the proprietary fund.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On 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 year-end.

**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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

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 6). 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 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.

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, grants, and interest.

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

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

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

**C. Budgetary Process**

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

**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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

All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education. The Treasurer has been given authority to further allocate appropriations to functions and objects within each fund. Because the activity of agency funds is not budgeted, transfers-in and transfers-out do not equal on a budgetary basis due to a transfer of \$1,500 made to an agency fund from the general fund.

*Tax Budget:*

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Scioto County Budget Commission for rate determination.

*Estimated Resources:*

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. Before year-end, the School District requested and received an amended certificate of estimated resources that reflected actual revenue for the fiscal year which was in effect at the time the final appropriations were passed.

*Appropriations:*

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



**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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

The Board of Education may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, three supplemental appropriations were legally enacted, however none were significant.

The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed by the Board of Education as a management control device during the year for all funds other than agency funds, consistent with statutory provisions. Prior to year-end, the School District passed a supplemental appropriation that reflected actual expenditures plus encumbrances for the fiscal year.

*Encumbrances:*

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

*Lapsing of Appropriations:*

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

**D. Cash and Cash Equivalents**

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

During fiscal year 2002, the School District held money as retainage for construction commitments. The retainage at June 30, 2002 is presented as "Restricted Assets: Cash and Cash Equivalents with Fiscal Agents" on the balance sheet.

**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2002 amounted to \$23,663, which includes \$20,751 assigned from other School District funds.

For purposes of the statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents.

**E. Inventory**

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed. Inventories of the enterprise fund consist of donated food and purchased food held for resale, and are expensed when used.

**F. Prepaid Items**

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

**G. Fixed Assets and Depreciation**

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

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

Assets in the general fixed assets account group are depreciated. Depreciation is computed using the straight-line method over a useful life of forty years for buildings, twenty to twenty-five years for improvements, four to ten years for vehicles, and ten years for textbooks. Depreciation of furniture and equipment in the enterprise fund and in the general fixed assets account group is computed using the straight-line method over an estimated useful life of five to twenty years.

**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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

**H. Interfund Assets/Liabilities**

Short-term interfund loans are classified as "Interfund Receivables" and "Interfund Payables" on the balance sheet.

**I. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the General Long-Term Obligations Account Group. In the proprietary fund, the entire amount of compensated absences is reported as a fund liability.

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

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Payments made more than sixty days after year-end are considered not to have used current available financial resources. Bonds and long-term loans are reported as a liability of the General Long-Term Obligations Account Group until due.

Long-term obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary fund.

**K. Interfund Transactions**

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

***BLOOM VERNON LOCAL SCHOOL DISTRICT***

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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

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

**L. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets represent unexpended revenues to be used for the purchase of buses.

**M. Fund Balance Reserves**

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

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute.

**N. Estimates**

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

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

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

***BLOOM VERNON LOCAL SCHOOL DISTRICT***

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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**NOTE 3 – ACCOUNTABILITY**

At June 30, 2002, the General Fund had a deficit fund balance of \$335,659. The School District is currently monitoring its financial condition and is taking steps to reduce spending in part by the replacement of retired, tenured staff with younger, less-experienced employees.

The Educational Management Information Systems and the Disadvantaged Pupil Impact Aid Special Revenue funds have deficit fund balances of \$3,495 and \$81,978, respectively. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

While the School District is reporting financial position, results of operations, and changes in fund balances/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) - All Governmental Fund Types and the Statement of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Budget Basis) - Enterprise Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund type (GAAP basis).
4. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING** (continued)

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

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

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
GAAP Basis	(\$59,478)	\$37,008	\$52,765	(\$773,916)
Adjustments:				
Revenue Accruals	9,308	(195,881)	(841)	(65,929)
Expenditure Accruals	(11,183)	96,010	(212)	(130,195)
Encumbrances	(59,458)	(13,093)	0	(368,422)
Transfers	(1,500)	0	0	0
Advances	(61,537)	61,537	0	0
Budget Basis	<u>(\$183,848)</u>	<u>(\$14,419)</u>	<u>\$51,712</u>	<u>(\$1,338,462)</u>

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

	<u>Food Service</u>
GAAP Basis	\$150,865
Adjustments:	
Revenue Accruals	(157,595)
Expense Accruals	4,586
Federal Donated Commodities	(5,706)
Depreciation	4,851
Loss on Sales of Fixed Assets	2,999
Budget Basis	<u>\$0</u>

***BLOOM VERNON LOCAL SCHOOL DISTRICT***

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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**NOTE 5 - DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the School District into three categories.

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

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

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

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

State statute permits interim monies to be deposited or invested in the following securities:

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by the 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;

**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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**NOTE 5 - DEPOSITS AND INVESTMENTS** (continued)

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers' acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the date of purchase in an amount not to exceed twenty-five percent of interim monies available for investment at any one time; and
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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

*Deposits:* At fiscal year end, the carrying amount of the School District's deposits was \$1,175,949 and the bank balance was \$1,211,000. Of the bank balance, \$160,957 was covered by federal depository insurance and \$1,050,043 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department in the School District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.



**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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**NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the School District. Property tax revenue received during calendar 2002 for real and public utility property taxes represents collections of calendar 2001 taxes. Property tax payments received during calendar 2002 for tangible personal property (other than public utility property) are for calendar 2002 taxes.

2002 real property taxes are levied after April 1, 2002, on the assessed value as of January 1, 2002, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value. First half 2002 real property taxes are collected in and intended to finance fiscal year 2003.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2002 public utility property taxes became a lien December 31, 2001, are levied after April 1, 2002 and are collected in 2003 with real property taxes.

2002 tangible personal property taxes are levied after April 1, 2001, on the value as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are twenty-five percent of true 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.

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

The assessed values upon which fiscal year 2001 taxes were collected are:

	2001 Second- Half Collections		2002 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$24,909,050	69.64%	\$28,862,060	72.29%
Public Utility	132,110	0.37%	98,300	0.25%
Tangible Personal Property	10,725,620	29.99%	10,966,280	27.47%
Total Assessed Value	<u>\$35,766,780</u>	<u>100.00%</u>	<u>\$39,926,640</u>	<u>100.00%</u>

Tax rate per \$1,000 of  
assessed valuation

\$32.82

\$32.82

**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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**NOTE 6 - PROPERTY TAXES** (continued)

The School District receives property taxes from Scioto County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2002, are available to finance fiscal year 2002 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property and public utility taxes which became measurable as of June 30, 2002 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 was levied to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations. The amount available as an advance is recognized as revenue.

The amount available as an advance at June 30, 2002, was \$85,791 in the General Fund, \$1,905 in the Classroom Facilities Maintenance Special Revenue fund, \$24,244 in the Debt Service fund, and \$4,291 in the Permanent Improvement Capital Projects Fund.

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2002, consisted of property taxes, accrued interest, 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.

A summary of the principal items of intergovernmental receivables follows:

<u>Fund Type/Fund</u>	<u>Amounts</u>
General Fund	<u>\$8,231</u>
Special Revenue Funds:	
Title VI-B	36,150
Title I	143,549
Title II	1,747
Title VI	1,927
Title VI-R	26,505
Drug Free Grant	987
Total Special Revenue Funds	<u>210,865</u>
Capital Projects Fund:	
Classroom Facilities	<u>146,856</u>
Total Intergovernmental Receivables	<u><u>\$365,952</u></u>

**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

**NOTE 8 - FIXED ASSETS**

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

Furniture and Equipment	\$254,220
Less Accumulate Depreciation	<u>(75,530)</u>
Net Fixed Assets	<u><u>\$178,690</u></u>

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

<u>Asset Category</u>	<u>Balance at 6/30/01</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at 6/30/02</u>
Land and Improvements	\$269,130	\$496,181	\$0	\$765,311
Buildings and Improvements	22,389,465	16,496	377,891	22,028,070
Furniture, Fixtures and Equipment	1,787,024	334,099	369,593	1,751,530
Books	471,685	0	80,153	391,532
Vehicles	1,033,306	0	0	1,033,306
Totals	<u>\$25,950,610</u>	<u>\$846,776</u>	<u>\$827,637</u>	<u>\$25,969,749</u>
Accumulated Depreciation				<u>(5,511,845)</u>
Total General Fixed Assets				<u><u>\$20,457,904</u></u>

**NOTE 9 - RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2002, the School District contracted with Hartford for liability insurance coverage and property and inland marine coverage. Coverage provided by Hartford is as follows:

Building and Contents - at replacement cost (\$1,000 deductible)	\$38,252,100
Inland Marine Coverage (\$1,000 deductible)	\$64,017
Crime Insurance	25,000

During fiscal year 2002, the School District joined together with other school districts in Ohio to participate in the Ohio School Plan (OSP), a public entity insurance purchasing pool. Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The District pays this annual premium to the OSP. (See Note 18)

**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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**NOTE 9 - RISK MANAGEMENT** (continued)

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

Automobile Liability:	
Liability	\$1,000,000
Schedule of Coverages and Covered Autos	
Physical Damage - Comprehensive (\$250 Deductible)	50,000
Physical Damage - Collision (\$500 Deductible)	50,000
Comprehensive - Buses (\$1,000 Deductible)	
Comprehensive - All Other Autos (\$250 Deductible)	
Collision - Buses (\$1,000 Deductible)	
Collision - All Other Autos (\$500 Deductible)	
Towing and Labor	50
Schedule of Hired or Borrowed Covered Autos	
Physical Damage - Comprehensive (\$250 Deductible)	50,000
Physical Damage - Collision (\$500 Deductible)	50,000
Auto Medical Payments	5,000
Uninsured Motorists	50,000
General Liability:	
Bodily Injury and Property Damage - Each Occurrence Limit and	
Sexual Abuse Injury - Each Sexual Abuse Offense Limit	1,000,000
Personal and Advertising Injury - Each Offense Limit	1,000,000
Fire Damage - Any One Event Limit	500,000
Medical Expense - Any One Person Limit	10,000
Medical Expense - Each Accident Limit	10,000
General Aggregate Limit	3,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been a significant increase in insurance coverage from last year due to the School District's enrollment in the Ohio School Plan which has allowed for greater coverage.

The School District is a member of the Scioto County Schools Council, a public entity shared risk pool (Note 17), offering employee medical and dental insurance to participating school districts within the county. Monthly premiums are paid to the South Central Ohio Educational Service Center as fiscal agent, who in turns pays the claims on the School District's behalf. The Council is responsible for the management and operations of the program. Upon a school district's termination from the Council, the Council shall have no obligation to the school district beyond paying claims incurred prior to termination and any applicable extended benefits that were provided under the plan.

**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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**NOTE 9 - RISK MANAGEMENT** (continued)

For fiscal year 2002, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 18). 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 for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

**NOTE 10 - DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

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

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2001, 4.2 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$69,091, \$39,039, and \$45,502, respectively; 53.25 percent has been contributed for fiscal year 2002 and 100 percent for fiscal years 2001 and 2000. \$32,301, representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds and the General Long-Term Obligations Account Group.

**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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**NOTE 10 - DEFINED BENEFIT PENSION PLANS** (continued)

**B. State Teachers Retirement System**

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

For the fiscal year ended June 30, 2002, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$321,939, \$340,037, and \$192,350, respectively; 83.11 percent has been contributed for fiscal year 2002 and 100 percent for fiscal years 2001 and 2000. \$54,381 represents the unpaid contribution for fiscal year 2002 and is recorded as a liability within the respective funds.

**NOTE 11 - POSTEMPLOYMENT BENEFITS**

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2002, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$152,497 for fiscal year 2002.

**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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**NOTE 11 - POSTEMPLOYMENT BENEFITS** (Continued)

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2001, (the latest information available) the balance in the Fund was \$3.256 billion. For the year ended June 30, 2001, net health care costs paid by STRS were \$300,772,000 and STRS had 102,132 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2002, employer contributions to fund health care benefits were 8.54 percent of covered payroll, a decrease of 1.26 percent from fiscal year 2001. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2002, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2002 fiscal year equaled \$115,759.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2001 (the latest information available), were \$161,439,934 and the target level was \$242.2 million. At June 30, 2001, SERS had net assets available for payment of health care benefits of \$315.7 million. SERS has approximately 50,000 participants currently receiving health care benefits.

**NOTE 12 - EMPLOYEE BENEFITS**

**A. Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from State laws. Eligible classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

**NOTE 12 - EMPLOYEE BENEFITS** (continued)

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 215 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 50 days.

**B. Life Insurance**

The School District provides life insurance to all employees through CoreSource.

**C. Deferred Compensation**

School District employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

**NOTE 13 - LONG-TERM OBLIGATIONS**

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

	Amount Outstanding 6/30/01	Additions	Deductions	Amount Outstanding 6/30/02
<u>General Obligation Bonds:</u>				
Classroom Facilities General Obligation Bond 1988 6.9%	\$460,000	\$0	\$60,000	\$400,000
School Improvement Bonds 1998 6.25%	820,000	0	25,000	795,000
Total Long-Term Bonds	<u>1,280,000</u>	<u>0</u>	<u>85,000</u>	<u>1,195,000</u>
<u>Other Long-Term Obligations:</u>				
Energy Conservation Loan 1993 5.76%	54,508	0	17,150	37,358
Pension Obligation	52,614	55,250	52,614	55,250
Compensated Absences	363,070	0	16,573	346,497
Total Long-Term Obligations	<u>\$1,750,192</u>	<u>\$55,250</u>	<u>\$171,337</u>	<u>\$1,634,105</u>



**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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**NOTE 13 - LONG-TERM OBLIGATIONS** (continued)

*Bloom Vernon Classroom Facilities General Obligation Bonds* - On November 5, 1988, Bloom Vernon Local School District issued \$1,180,000 in voted general obligation bonds for the purpose of an addition to the primary school and for a new high school building. The bonds were issued for a twenty year period with final maturity at December 1, 2008. The bonds will be retired from the Debt Service Fund.

*School Improvement Bonds* - On December 1, 1998, Bloom Vernon Local School District issued \$865,100 in voted general obligation bonds for the construction of a new elementary school and for an addition to the high school building. The bonds were issued for a twenty-three year period with final maturity at December 1, 2021. The bonds will be retired from the Debt Service Fund.

*Energy Conservation Loan* - On September 13, 1993, Bloom Vernon Local School District issued \$150,800 in unvoted general obligation notes for the purpose of providing energy conservation measures for the School District, under the authority of Ohio Revised Code sections 133.06(G) and 3313.372. The notes were issued for a ten year period with final maturity during fiscal year 2004. The loan will be retired from the Debt Service Fund.

Compensated absences and the pension obligation will be paid from the funds from which the employees' salaries are paid.

The School District's overall legal debt margin was \$2,628,444 with an unvoted debt margin of \$39,927 at June 30, 2002.

Principal and interest requirements to retire the general obligation bonds and the energy conservation loan at June 30, 2002, are as follows:

Fiscal year Ending June 30,	Principal	Interest	Total
2003	\$103,150	\$72,312	\$175,462
2004	104,208	65,613	169,821
2005	90,000	58,660	148,660
2006	85,000	52,828	137,828
2007	85,000	47,133	132,133
2008-2012	295,000	164,022	459,022
2013-2017	230,000	97,200	327,200
2018-2021	240,000	25,740	265,740
Total	<u>\$1,232,358</u>	<u>\$583,508</u>	<u>\$1,815,866</u>

**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

**NOTE 14 - INTERFUND ACTIVITY**

As of June 30, 2002, receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund Type/Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$61,818	\$0
Special Revenue Funds:		
Title VI-B	0	12,195
Title II	0	49,342
Total Special Revenue Funds	0	61,537
Capital Projects Fund:		
Classroom Facilities	0	281
Total All Funds	\$61,818	\$61,818

**NOTE 15 - CONTRACTUAL COMMITMENTS**

As of June 30, 2002, the School District had the following contractual purchase commitments:

<u>Contractor</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance at 06/30/02</u>
Diamond Excavating	\$120,000	\$0	\$120,000

**NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS**

*South Central Ohio Computer Association* - The School District is a participant in the South Central Ohio Computer Association (SCOCA) which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Adams, Brown, Highland, Lawrence, Pike, Ross, Jackson, Vinton, and Scioto Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA consists of two representatives from each county in the SCOCA service region designated by the Ohio Department of Education, two representatives of the school treasurers, and one representative from the fiscal agent. The School District paid SCOCA \$12,836 for services provided during the year. Financial information can be obtained from the fiscal agent, the Pike County Joint Vocational School District, Tonya Cooper, who serves as Treasurer, at P.O. Box 577, 175 Beaver Creek Road, Piketon, Ohio 45661.

**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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**NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS** (continued)

*Coalition of Rural and Appalachian Schools* - The Coalition of Rural and Appalachian Schools is a jointly governed organization of over one hundred school districts in southeastern Ohio. The Coalition is operated by a board which is composed of fourteen members. The board members are composed of one superintendent from each county elected by the school districts within that county. The Council provides various services for school district administrative personnel; gathers data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Council is not dependent upon the continued participation of the School District and the School District does not maintain an equity interest in or a financial responsibility for the Council. The School District paid \$315 to the Coalition for services provided during the year.

*Pilasco-Ross Special Education Regional Resource Center* – The Pilasco-Ross Special Education Regional Resource Center (SERRC) is a special education service center which represents Lawrence, Pike, Ross and Scioto Counties. The SERRC selects its own governing board, adopts its own budget and receives direct Federal and State grants for its operation. The jointly-governed organization was formed for the purpose of initiating, expanding and improving special education programs and services for children with disabilities and their parents.

The SERRC is governed by a board composed of superintendents of participating schools, parents of children with disabilities, representatives of county boards of MR/DD, Joint Vocational Schools, Pickaway-Ross CTC, Shawnee State University, and Pike, Ross, Lawrence, and South Central Ohio Educational Service Centers, whose terms rotate every year. The degree of control exercised by any participating school district is limited to its representation on the Board. The Bloom Vernon Local School District's superintendent is not currently on the SERRC Board nor is he an alternate for the SERRC Board. The fiscal agent for the SERRC is Dawson-Bryant LSD. Financial information can be obtained by contacting Donald Washburn, Director of Pilasco-Ross, at the South Central Ohio Educational Service Center, 411 Court Street, Portsmouth, Ohio 45663.

**NOTE 17 - PUBLIC ENTITY SHARED RISK POOL**

*Scioto County Schools Council* - The School District is a member of the Scioto County Schools Council, a public entity shared risk pool. Several Scioto County school districts have entered into an agreement with the South Central Ohio Educational Service Center to form the Scioto County Schools Council. The overall objectives of the council are to formulate and administer a program of health insurance for the benefit of the council members' employees and their dependents, to obtain lower costs for health coverage, and to secure cost control by implementing a program of comprehensive loss control. The Council's business and affairs are managed by a Board of Directors, consisting of the superintendents from each of the participating school districts. The School District pays premiums based on what the Council estimates will cover the costs of all claims for which the Council is obligated. If the School District's claims exceed its premiums, there is no individual supplemental assessment; on the other hand, if the School District's claims are low, it will not receive a refund. The Council views its activities in the aggregate, rather than on an individual entity basis. To obtain financial information, write to the fiscal agent, South Central Ohio Educational Service Center at Fourth and Court Streets, Portsmouth, Ohio 45662.

**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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**NOTE 18 - INSURANCE PURCHASING POOL**

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

*Ohio School Plan* – The School District participates in the Ohio School Plan (OSP), an insurance purchasing pool. The Ohio School Plan (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 OSP and member schools.

**NOTE 19 - 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 purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years.

For fiscal year ended June 30, 2002, the School District was no longer required to set aside funds in the budget reserve set-aside, with the exception of monies refunded from the Bureau of Workers' Compensation, which must be spent for specified purposes.

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Set-aside Reserve Balance as of June 30, 2001	\$0	\$0	\$34,208
Current Year Set-aside Requirement	109,001	109,001	0
Current Year Offsets	0	(58,694)	0
Qualifying Disbursements	(152,957)	(50,307)	(34,208)
Set-aside Reserve Balance as of June 30, 2002	<u>(\$43,956)</u>	<u>\$0</u>	<u>\$0</u>

**BLOOM VERNON LOCAL SCHOOL DISTRICT**

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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**NOTE 19 - SET-ASIDE CALCULATIONS** (continued)

The School District had qualifying disbursements during the fiscal year that reduced the textbook set-aside amount below zero. This extra amount may be used to reduce the set-aside requirements in future fiscal years.

**NOTE 20 – STATE SCHOOL FUNDING DECISION**

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

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

**NOTE 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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2002.

**B. Litigation**

The School District is not currently party to legal proceedings.

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**BLOOM VERNON LOCAL SCHOOL DISTRICT  
SCIOTO COUNTY**

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

<u>FEDERAL GRANTOR/ Pass Through Grantor Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Noncash Receipts</u>	<u>Disbursements</u>	<u>Noncash Disbursements</u>
<b><u>U. S. DEPARTMENT OF AGRICULTURE</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$	\$29,845	\$	\$28,875
National School Breakfast	05-PU-2001	10.553	4,815		4,815	
	05-PU-2002		33,404		33,404	
Total National School Breakfast Program			38,219		38,219	
National School Lunch Program	LL-P4-2001	10.555	16,148		16,148	
	LL-P4-2002		112,246		112,246	
Total National School Lunch Program			128,394		128,394	
Total U.S. Department of Agriculture - Nutrition Cluster			166,613	29,845	166,613	28,875
<b><u>U. S. DEPARTMENT OF EDUCATION</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Grants to Local Educational Agencies (ESEA Title I)	C1-S1-2001	84.010	44,744		30,809	
	C1-S1-2002		327,315		310,538	
Total Grants to Local Educational Agencies (ESEA Title I)			372,059		341,347	
Special Education Grants to States (IDEA Part B)	6B-SF-2001	84.027			7,850	
	6B-SF-2002		56,664		68,859	
Total Special Education Grants to States (IDEA Part B)			56,664		76,709	
Safe and Drug Free Schools and Communities Grant	DR-S1-2000	84.186			2,017	
	DR-S1-2001		1,783		2,997	
	DR-S1-2002		3,112		2,482	
Total Safe and Drug Free Schools and Communities Grant			4,895		7,496	
Even Start	EV-S2-2000	84.213			1,362	
	EV-S3-2001		14,986		30,160	
	EV-S4-2002		107,068		156,410	
Total Even Start			122,054		187,932	
Goals 2000	G2-S9-2000	84.276			230	
	G2-S9-2001		10,000		6,426	
Total Goals 2000			10,000		6,656	
Eisenhower Professional Development Grant	MS-S1-2000	84.281			3,559	
	MS-S1-2001				866	
	MS-S1-2002		8,902		2,625	
Total Eisenhower Professional Development Grant			8,902		7,050	
Innovative Education Program Strategies	C2S1-2002	84.298	3,474		3,474	
Class Size Reduction Grant	CR-S1-2001	84.340	22,616		25,001	
	CR-S1-2002		36,637		22,715	
Total Class Size Reduction Grant			59,253		47,716	
Total U.S. Department of Education			637,301		678,380	
<b><u>U. S. CORPORATION OF NATIONAL AND COMMUNITY SERVICES</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Learn and Serve America	SV-S1-2002	94.004	15,000		8,974	
<b>Total Federal Awards Receipts and Expenditures</b>			<b>\$818,914</b>	<b>\$29,845</b>	<b>\$853,967</b>	<b>\$28,875</b>

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

**BLOOM VERNON LOCAL SCHOOL DISTRICT  
SCIOTO COUNTY**

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

**NOTE A - BASIS OF ACCOUNTING**

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

**NOTE B – FOOD DISTRIBUTION**

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





## Auditor of State Betty Montgomery

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

Bloom Vernon Local School District  
Scioto County  
P.O. Box 237  
South Webster, Ohio 45682

To The Board of Education:

We have audited the accompanying general purpose financial statements of the Bloom Vernon Local School District, Scioto County, Ohio (the School District), as of and for the year ended June 30, 2002, and have issued our report thereon dated March 18, 2003. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### Compliance

As part of obtaining reasonable assurance about whether the School District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the School District in a separate letter dated March 18, 2003.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the School District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings as item 2002-10773-001.

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A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We consider the reportable condition described above to be a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the School District in a separate letter dated March 18, 2003.

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



**Betty Montgomery**  
Auditor of State

March 18, 2003



## Auditor of State Betty Montgomery

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

Bloom Vernon Local School District  
Scioto County  
P.O. Box 237  
South Webster, Ohio 45682

To the Board of Education:

#### Compliance

We have audited the compliance of the Bloom Vernon Local School District, Scioto County, Ohio (the School District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2002. The School District's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

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

#### Internal Control Over Compliance

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

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

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



**Betty Montgomery**  
Auditor of State

March 18, 2003

**BLOOM VERNON LOCAL SCHOOL DISTRICT  
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

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

**BLOOM VERNON LOCAL SCHOOL DISTRICT  
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
(Continued)**

<b>2. FINDINGS RELATED TO THE GENERAL PURPOSE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
---

**Finding Number 2002-10773-001**

**Material Weakness**

The School District did not record or track the acquisitions of fixed assets throughout the year. Instead, at the end of each year, an inventory listing by location was provided to the employees of the School District to determine which assets on the list were disposed of and also to list any new assets acquired during the year. The inventory was completed and the results were sent back to the Treasurer's Office. The Treasurer's Office then attempts to locate supporting documentation for the assets acquired and record the amounts paid. If no support can be located for the purchase of the assets, an estimated value is assigned to the assets. The assets listed as having been disposed of are matched to the inventory sheets and disposal forms were completed for some but not all asset disposals. This updated information is sent to Industrial Appraisal Company for the annual update. Once the annual update is received from Industrial Appraisal Company, the GAAP Journal Entries are prepared based on the information contained in the report.

During the audit, we noted the School District did not consistently affix numbered inventory tags to the acquired assets. As a result, it is difficult to identify specific assets when they are moved from one location to another or disposed of. Since it is difficult to specifically identify assets, information regarding asset disposal could be recorded incorrectly. This could also lead to problems in tracking the assets and helping to ensure physical security of the assets since there is no easy way to specifically identify individual assets.

Not recording the asset additions throughout the year could lead to errors in recording the additions at the end of the year, since it is often difficult to locate support for assets based solely on a vague asset description. The process of recording the changes in fixed assets based solely on an inventory at the end of the year could result in errors in properly reporting the fixed assets. There were instances noted where asset additions were recorded based on the fact that employees noted that there were additional assets located in their room but the asset was not on the inventory listing for that location. In some instances, it was indicated that the asset had been there for years. Additionally, some employees noted that some of the assets listed on the inventory report for their room had not actually been in their room for years. Therefore, these assets were listed as deletions. Since the School District did not consistently use inventory tags for its fixed assets, it is possible that the same asset could be recorded as both an addition and a deletion if the asset had only been moved from one room to another. Since the School District did not consistently use inventory tags and the serial number is not always recorded for the assets, there is no way for management to determine whether a disposal and addition had occurred, or if the asset had simply been moved from one location to another. Further, using estimated information to record asset additions did not enable the School District to identify the fund and function from which the asset was purchased. While under current GAAP requirements this does not pose an immediate problem with financial reporting, the implementation of the new reporting model required under GASB 34 requires such information be available to properly record information such as the loss on the disposal of assets, depreciation, etc., by function. The inconsistent use of asset disposal forms could result in the unauthorized disposal of assets as well as errors in properly recording the disposal of the assets. Further, since insurance coverage is often based on the asset inventory listing, the district could be paying for insurance for assets no longer present at the schools, or the School District could lack sufficient insurance for assets left off of the inventory. The current process in place could result in misstatement of the fixed assets on the financial statements as well as uninsured losses or artificially high insurance premiums as a result of an inaccurate asset inventory.

**BLOOM VERNON LOCAL SCHOOL DISTRICT  
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
(Continued)**

<b>2. FINDINGS RELATED TO THE GENERAL PURPOSE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
---

**Finding Number 2002-10773-001 (Continued)**

Under the process used during Fiscal Year 2002, during our audit we were able to find sufficient supporting documentation for only approximately 13.5% of the recorded additions. We were only able to locate asset disposal forms for 50.7% of the recorded deletions. Further, our testing revealed \$578,570 in unrecorded asset additions. Additionally, we noted errors in the amounts recorded for the new buildings. The School District recorded the estimated original contract amounts as the building values for fixed assets additions for Fiscal Year 2001. The project was not fully complete, and we noted that actual expenditures to date exceeded the estimated original contract amounts. Therefore, the building values were understated by an amount that were not deemed to be material.

We recommend the School District adopt and follow a process of recording changes to the fixed asset inventory throughout the year. Additions and disposals of assets should be monitored and recorded when they occur. A good process for monitoring and recording the asset changes would require recording the information as the transactions occur. When an asset is purchased and has been received, a fixed asset addition form should be completed and forwarded to the Treasurer's Office along with the invoice for payment.

The Treasurer's Office should assign a tag for the asset and ensure that the tag is affixed to the appropriate asset. The tag number should be recorded on the asset addition form. A copy of the invoice should be attached to the asset addition form and filed in a separate file for asset additions. The accounting system should assign each capitalizable asset to a function, so the School District will be able to allocate depreciation expense as will be required by GASB Statement 34. If this process is used throughout the year, the file with the addition forms could be used to prepare the annual update to be sent to Industrial Appraisal Company. When an asset is disposed of, an asset disposal form should be completed and sent to the Treasurer's Office.

The asset inventory tag should be removed from the asset and attached to the disposal form to ensure that the appropriate asset is removed from the inventory listing. The disposal forms should be maintained in a separate file. This file could be used at the end of the year to send the necessary information for the annual inventory update by Industrial Appraisal Company. Such processes would enable the School District to ensure that the amounts reported for fixed assets are appropriately recorded and that the asset inventory is accurate for both reporting and insurance purposes. We further recommend the Treasurer continue to work with Gilbane to close out the project account and determine the actual amounts expended for the construction of the new school buildings. The building values on the fixed assets reports should be adjusted to agree to the actual amounts expended for the construction of the buildings.

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
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There were no findings related to federal awards.

**BLOOM VERNON LOCAL SCHOOL DISTRICT  
SCIOTO COUNTY**

**CORRECTIVE ACTION PLAN  
OMB CIRCULAR A-133 §.315 (c)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2002-10773-001	The School District will require completion and submission of acquisition and disposal of fixed asset forms to be completed by all employees. These forms must be filed with the Treasurer's office.	June 30, 2003	Carol A. Davis, Treasurer





**Auditor of State  
Betty Montgomery**

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**BLOOM VERNON LOCAL SCHOOL DISTRICT**

**SCIOTO 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  
APRIL 15, 2003**