



**Auditor of State
Betty Montgomery**

**SCIOTOVILLE COMMUNITY SCHOOL
SCIOTO COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Sciotoville Community School
Scioto County
224 Marshall Avenue
Sciotoville, Ohio 45662

To the Board of Education:

We have audited the accompanying basic financial statements of Sciotoville Community School, Scioto County, Ohio (the School), as of and for the year ended June 30, 2003, as listed in the table of contents. These basic financial statements are the responsibility of the School's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Sciotoville Community School, Scioto County, Ohio, as of June 30, 2003, and the changes in financial position and cash flows, thereof 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 February 20, 2004 on our consideration of the School'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.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the School's basic financial statements. The Schedule of Federal Awards Receipts and Expenditures is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the Schedule of Federal Awards Receipts and Expenditures to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Betty Montgomery
Auditor of State

February 20, 2004

SCIOTOVILLE COMMUNITY SCHOOL

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2003

The discussion and analysis of the Sciotoville Community School's financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2003. The intent of this discussion and analysis is to look at the School's financial performance as a whole; readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the School's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standard Board (GASB) in their Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Government issued June, 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

- ' In total, net assets increased \$196,148, which represents a 4.7 percent increase from 2002. This increase was due to an increase in students and a related increase in state foundation monies and Disadvantaged Pupil Instructional Aid. There was also an increase in federal subsidies.
- ' Total assets increased \$268,046, which represents a 6.2 percent increase from 2002. This was primarily due to an increase in state foundation monies and Disadvantaged Pupil Instructional Aid. There was also an increase in federal subsidies.
- ' Liabilities increased \$71,898, which represents a 41 percent increase from 2002. Accrued wages and benefits increased by 36,711, while intergovernmental payables related to accrued pension benefits by \$36,835. Accounts payable and undistributed monies decreased by \$4,970. The increase in payables was primarily due to an increase in employees and a change in the payment method for the pension benefits. In fiscal year 2002, SERS benefits were paid directly by the School and in fiscal year 2003 the benefits were deducted from the state foundation payments made to the School. Since the amounts deducted from the foundation payments are allocated through December 31, the accrual for the pension benefit liability at June 30 is for the period through December 31, making it larger than with the direct payment method.

Using this Financial Report

This report consists of three parts, the MD&A, the basic financial statements, and notes to those statements. The basic financial statements include a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows.

SCIOTOVILLE COMMUNITY SCHOOL

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2003

Statement of Net Assets

The Statement of Net Assets answers the question, "How did we do financially during 2003?" This statement includes all assets and liabilities, both financial and capital, and short-term and long-term using the accrual basis of accounting and economic resources focus, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all revenues and expenses during the year, regardless of when the cash is received or paid.

Table 1 provides a summary of the School's net assets for fiscal year 2003 and fiscal year 2002:

(Table 1)
Net Assets

	<u>2003</u>	<u>2002</u>
Assets		
Current Assets	\$911,620	\$809,874
Land	100,130	100,130
Capital Assets, Net	<u>3,605,962</u>	<u>3,439,662</u>
Total Assets	<u><u>4,617,712</u></u>	<u><u>4,349,666</u></u>
Liabilities		
Current Liabilities	245,954	177,378
Non-Current Liabilities	<u>3,322</u>	<u>0</u>
Total Liabilities	249,276	177,378
Net Assets		
Invested in Capital Assets	3,706,092	3,539,792
Unrestricted	<u>662,344</u>	<u>632,496</u>
Total Net Assets	<u><u>\$4,368,436</u></u>	<u><u>\$4,172,288</u></u>

Total assets increased \$268,046. This increase was primarily due to an increase in student enrollment and federal and state subsidies. Equity in pooled cash and cash equivalents increased by \$164,321 from 2002. Intergovernmental Receivables decreased by \$66,470. This decrease was due to the timing of the receipt of some grants. Because it was the first year of operation, some of the receipts from fiscal year 2002 grants were not received until fiscal year 2003. In fiscal year 2003, the receipts from these grants were received in fiscal year 2003. Capital Assets, net of depreciation increased by \$166,300.

SCIOTOVILLE COMMUNITY SCHOOL

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2003

Table 2 shows the changes in net assets for fiscal year 2002 and fiscal year 2003, as well as a listing of revenues and expenses.

(Table 2)
Change in Net Assets

	<u>2003</u>	<u>2002</u>
Operating Revenues:		
Charges for Services and Sales	\$118,608	\$101,162
Foundation Payments	1,892,137	1,717,624
Disadvantaged Pupil Impact Aid	31,476	17,724
Other	2,594	24,012
Non-Operating Revenues:		
Federal and State Grants	469,055	483,370
Interest	5,364	3,852
Other	20,239	12,352
Total Revenues	<u>2,539,473</u>	<u>2,360,096</u>
Operating Expenses		
Salaries	1,236,290	919,533
Fringe Benefits	553,321	399,703
Purchased Services	142,264	116,526
Materials and Supplies	184,698	72,066
Cost of Sales	40,315	44,158
Depreciation	105,317	46,342
Other Expenses	77,070	30,270
Non-Operating Expenses:		
Loss on Sale of Capital Assets	4,050	0
Total Expenses	<u>2,343,325</u>	<u>1,628,598</u>
Income Before Contributions	196,148	731,498
Capital Contributions	0	3,440,790
Increase in Net Assets	<u>\$196,148</u>	<u>\$4,172,288</u>

Although net assets increased from 2002 to 2003, the amount of change in net assets from the beginning to the end of each year decreased \$3,976,140. This was primarily due to the contribution of the land and building in 2002, which comprised most of the change in net assets in 2002. There was an increase in revenues of \$179,377 and an increase in expenses of \$714,727 from 2002. Of the increase in revenues, the foundation payments increased by \$174,513 and the Disadvantaged Pupil Impact Aid increased by \$13,752. Community Schools receive no support from tax revenues.

SCIOTOVILLE COMMUNITY SCHOOL

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2003

The expense for salaries increased by \$316,757 and the expense for fringe benefits increased by \$153,618 from 2002. This was primarily due to an increase in staff during fiscal year 2003. Material and supplies expense increased by \$112,632 from 2002. Due to the increase in federal subsidies and state foundation revenues, more supplies were purchased for the Career Technical Adult Education program, summer school and textbooks. Depreciation expense increased by \$58,975. According to the School's capital asset policy, only one half of a year's depreciation is expensed for new capital assets in the year they are purchased. Since fiscal year 2002 was the first year of operation, only one half of a year's depreciation was expensed for all of the capital assets of the School. This was the primary reason for the increase in depreciation expense.

Capital Assets

At the end of fiscal year 2003 the School had \$3,706,092, invested in land, land improvements, buildings and building improvements, furniture, fixtures, and equipment, and vehicles, which represented an increase of \$166,300 from 2002. Table 3 shows fiscal year 2003 and fiscal year 2002:

(Table 3)
Capital Assets at June 30, 2003
(Net of Depreciation)

	2003	2002
Land	\$100,130	\$100,130
Land Improvements	1,283	0
Building and Building Improvements	3,333,087	3,307,253
Furniture, Fixtures, and Equipment	258,117	128,359
Vehicles	13,475	4,050
Totals	<u>\$3,706,092</u>	<u>\$3,539,792</u>

For more information on capital assets see Note 5 to the basic financial statements.

Current Financial Issues

The Sciotoville Community School d.b.a. East High School was formed in 2001 when the City of Portsmouth closed down the building and brought all students into the City of Portsmouth. A group of citizens decided to form a community school and petitioned the Ohio Department of Education for a charter. During the 2002-2003 school year, there were approximately 340 students enrolled in the School. The School receives its finances mostly from state aide. Per pupil aide for fiscal year 2003 amounted to \$4,949 per student. The average number of years experience for teachers was thirteen years.

SCIOTOVILLE COMMUNITY SCHOOL

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003

Contacting the School's Financial Management

This financial report is designed to provide our citizen's with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional information contact Ron Blevins, Treasurer at Sciotoville Community School, 224 Marshall Street, Sciotoville, Ohio 45662 or e-mail at rblevins_ec@scoca-k12.org.

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SCIOTOVILLE COMMUNITY SCHOOL

Statement of Net Assets

June 30, 2003

Assets

Current Assets:

Equity in Pooled Cash and Cash Equivalents	\$790,392
Intergovernmental Receivables	111,155
Inventory Held for Resale	3,024
Materials and Supplies Inventory	2,484
Prepaid Items	4,565
Total Current Assets	<u>911,620</u>

Non-Current Assets:

Capital Assets:

Land	100,130
Depreciable Capital Assets, Net	<u>3,605,962</u>
Total Non-Current Assets	<u>3,706,092</u>

Total Assets \$4,617,712

Liabilities

Current Liabilities:

Accounts Payable	\$202
Accrued Wages and Benefits	159,520
Intergovernmental Payable	82,055
Undistributed Monies	4,177
Total Current Liabilities	<u>245,954</u>

Non-Current Liabilities

Due Within One Year	2,728
Due In More Than One Year	594
Total Non-Current Liabilities	<u>3,322</u>

Total Liabilities 249,276

Net Assets

Invested in Capital Assets:	3,706,092
Unrestricted	<u>662,344</u>

Total Net Assets \$4,368,436

See accompanying notes to the basic financial statements

SCIOTOVILLE COMMUNITY SCHOOL

Statement of Revenues, Expenses and
Changes in Net Assets
For the Fiscal Year Ended June 30, 2003

Operating Revenues

Extracurricular and Lunchroom Sales	\$117,574
Foundation Payments	1,892,137
Disadvantaged Pupil Impact Aid	31,476
Charges for Services	1,034
Other Revenues	2,594

Total Operating Revenues 2,044,815

Operating Expenses

Salaries	1,236,290
Fringe Benefits	553,321
Purchased Services	142,264
Materials and Supplies	184,698
Cost of Sales - Lunchroom	40,315
Depreciation	105,317
Other	77,070

Total Operating Expenses 2,339,275

Operating Loss (294,460)

Non-Operating Revenues and Expenses

Federal Donated Commodities	7,335
Other Federal and State Grants	410,101
Interest	5,364
Federal and State Meal Subsidies	51,619
Loss on Sale of Capital Assets	(4,050)
Other	20,239

Total Non-Operating Revenues and Expenses 490,608

Change in Net Assets 196,148

Net Assets Beginning of Year (Restated - See Note 13) 4,172,288

Net Assets End of Year \$4,368,436

See accompanying notes to the basic financial statements

SCIOTOVILLE COMMUNITY SCHOOL

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2003

Increase (Decrease) in Cash and Cash Equivalents:

Cash Flows from Operating Activities:

Cash Received from Customers	\$122,340
Cash Received from Others	2,594
Cash Received from Foundation Payments	1,892,137
Cash Received from Disadvantaged Pupil Impact Aid	31,476
Cash Payments to Suppliers for Goods and Services	(369,100)
Cash Payments to Employees for Services	(1,200,228)
Cash Payments for Employee Benefits	(511,238)
Cash Payments to Others	<u>(81,078)</u>
Net Cash Used for Operating Activities	<u>(113,097)</u>

Cash Flows from Noncapital Financing Activities:

Other Non-Operating Revenues	19,531
Federal and State Subsidies Received	51,619
Operating Grants Received	<u>476,571</u>
Net Cash Provided by Noncapital Financing Activities	<u>547,721</u>

Cash Flows from Capital and Related Financing Activities:

Payments for Capital Acquisitions	<u>(275,667)</u>
Net Cash Used for Noncapital Financing Activities	(275,667)

Cash Flows from Investing Activities:

Interest	<u>5,364</u>
Net Increase in Cash and Cash Equivalents	164,321
Cash and Cash Equivalents at Beginning of Year	<u>626,071</u>
Cash and Cash Equivalents at End of Year	<u>\$790,392</u>

(continued)

SCIOTOVILLE COMMUNITY SCHOOL

Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2003
(continued)

Reconciliation of Operating Loss to Net

Cash Used for Operating Activities:

Operating Loss (\$294,460)

Adjustments to Reconcile Operating

Income to Net Cash Provided by Operating Activities

Depreciation 105,317

Donated Commodities Received During Year 7,335

Changes in Assets and Liabilities:

Decrease in Accounts Receivable 25

Increase in Prepaid Items (3,330)

Increase in Inventory Held for Resale (256)

Increase in Materials and Supplies Inventory (334)

Decrease in Accounts Payable (3,567)

Increase in Accrued Wages and Benefits 36,711

Increase in Intergovernmental Payable 36,835

Decrease in Compensated Absences

Increase in Compensated Absences 3,322

Decrease in Undistributed Monies (695)

Total Adjustments 181,363

Net Cash Used for Operating Activities (\$113,097)

Non-Cash Transactions:

During fiscal year 2003, the Enterprise Fund received \$7,335 in donated commodities.

See accompanying notes to the basic financial statements

SCIOTOVILLE COMMUNITY SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 1 – DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

Sciotoville Community School of Sciotoville, Inc. (the School) is a nonprofit corporation established pursuant to Ohio Rev. Code Chapters 3314 and 1702 to address the needs of students in grades seven through twelve. The School, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admission policies, employment practices, and all other operations. The School may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the School. Sciotoville Community School qualifies as an exempt organization under Section 501c (3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect the school's tax exempt status.

The School was approved for operation under contract with the Ohio Department of Education (the Sponsor) for a period of five years commencing July 1, 2001. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

The School operates under the direction of a seven-member Board of Directors. The Board of Directors is responsible for carrying out the provisions of the contract which include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers. The Board of Directors controls the School's one instructional/support facility staffed by 14 non-certified and 29 certificated full time teaching personnel who provide services to 340 students.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis Of Presentation

The School's basic financial statements consist of a statement of net assets, a statement of revenue, expenses and changes in net assets, and a statement of cash flows.

SCIOTOVILLE COMMUNITY SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Enterprise fund reporting focuses on the determination of the change in net assets, financial position and cash flows.

B. Measurement Focus

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the statement of net assets. The statement of changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School finances and meets the cash flow needs of its enterprise activities.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The School's financial statements are prepared using the accrual basis of accounting.

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.

Non-exchange transactions, in which the School receives value without directly giving equal value in return, include grants, entitlements, and donations. 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 must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School on a reimbursement basis.

Expenses are recognized at the time they are incurred.

D. Budgetary Process

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided in the contract between the School and its sponsor. The contract between the School and its Sponsor does not prescribe a budgetary process for the School; therefore no budgetary information is presented in the financial statements.

SCIOTOVILLE COMMUNITY SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2003, 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 expense is reported in the year in which services are consumed.

F. Inventory

Inventory is stated at the lower of cost or market. Cost is determined on a first-in, first-out basis. Inventories consist of donated and purchased food held for resale, as well as supplies, and are expensed when used.

G. Capital Assets

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School maintains a capitalization threshold of one thousand dollars. The School does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Buildings and Building Improvements	1 - 50 years
Furniture, Fixtures and Equipment	10 - 20 years
Vehicles	3 - 10 years

SCIOTOVILLE COMMUNITY SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School's termination policy. The School records a liability for accumulated unused sick leave for employees with at least 5 years of current service for all positions (including certified and non-certified staff).

I. Net Assets

Net assets represent the difference between assets and liabilities. Assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. The School has no debt.

J. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activities. For the School, these revenues are primarily foundation payments from the state and sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the School. Revenues and expenses not meeting this definition are reported as non-operating.

K. Contributions of Capital

Contributions of capital arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. The School's capital contributions consist of land and a building, donated to the School valued at \$3,440,790.

SCIOTOVILLE COMMUNITY SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. 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.

NOTE 3 - DEPOSITS

At fiscal year end, the carrying amount of the School's deposits was \$790,392, and the bank balance was \$821,057. Of the bank balance, \$100,000 was covered by federal depository insurance and \$721,057 was collateralized with securities held in a single financial institution's pool of investments pledged to collateralize all public deposits. Although the securities serving as collateral were held by the pledging financial institution's trust department in the School'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 to a successful claim by the Federal Deposit Insurance Corporation.

Investments: The School had no investments at June 30, 2003, or during the fiscal year.

NOTE 4 - RECEIVABLES

Receivables at June 30, 2003, consisted of accounts and intergovernmental grants. All receivables are considered collectible in full and will be received within one year.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
Title I	\$81,710
Title II	316
Title II-A	16,792
Title II-D	4,016
Title IV	2,172
Title V	1,409
Title VI-B IDEA-B	3,124
Title VI-R	1,616
Total All Intergovernmental Receivables	<u><u>\$111,155</u></u>

SCIOTOVILLE COMMUNITY SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2003:

	Restated Balance 6/30/02	Additions	Deletions	Balance 6/30/03
Business-Type Activity				
Capital Assets Not Being Depreciated				
Land	\$100,130	\$0	\$0	\$100,130
Capital Assets Being Depreciated				
Land Improvements	0	1,327	0	1,327
Buildings and Improvements	3,340,660	93,583	0	3,434,243
Furniture, Fixtures, and Equipment	140,844	166,257	0	307,101
Vehicles	4,500	14,500	4,500	14,500
Total Capital Assets				
Being Depreciated	<u>3,486,004</u>	<u>275,667</u>	<u>4,500</u>	<u>3,757,171</u>
Less Accumulated Depreciation:				
Land Improvements	0	(44)	0	(44)
Buildings and Improvements	(33,407)	(67,749)	0	(101,156)
Furniture, Fixtures, and Equipment	(12,485)	(36,499)	0	(48,984)
Vehicles	(450)	(1,025)	(450)	(1,025)
Total Accumulated Depreciation	<u>(46,342)</u>	<u>(105,317)</u>	<u>(450)</u>	<u>(151,209)</u>
Total Capital Assets				
Being Depreciated, Net	<u>3,439,662</u>	<u>170,350</u>	<u>4,050</u>	<u>3,605,962</u>
Business-Type Activity				
Capital Assets, Net	<u>\$3,539,792</u>	<u>\$170,350</u>	<u>\$4,050</u>	<u>\$3,706,092</u>

NOTE 6 - RISK MANAGEMENT

A. Property and Liability

The School 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 2003, the School contracted with Sherman Kricker Insurance Company for general liability and property insurance and Tudor Insurance Company for educational errors and omissions insurance.

SCIOTOVILLE COMMUNITY SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 6 - RISK MANAGEMENT (continued)

Coverages are as follows:

Building and Contents (\$500 deductible)	\$1,000,000
Boiler and Machinery	No Limit
Business Personal Property (\$500 deductible)	100,000
Educational Errors and Omissions (\$5,000 each loss)	1,000,000
General Liability:	
Per occurrence	1,000,000
Total per year	1,000,000

Settled claims have not exceeded this commercial coverage in any of the past two years. There has been no significant change in insurance coverage from last year.

B. Workers' Compensation

The School pays the State Workers' Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is calculated by the State.

NOTE 7 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The School contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

SCIOTOVILLE COMMUNITY SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 7 - DEFINED BENEFIT PENSION PLANS (continued)

Plan members are required to contribute 9 percent of their annual covered salary and the School is required to contribute at an actuarially determined rate. The current School rate is 14 percent of annual covered payroll. A portion of the School's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2003 and 2002 were \$33,217 and \$9,334, respectively; 56.53 percent has been contributed for fiscal year 2003 and 100 percent for fiscal year 2002. \$14,440 represents the unpaid contribution for fiscal year 2003. The balance outstanding is reflected as an intergovernmental payable.

B. State Teachers Retirement System of Ohio

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

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

SCIOTOVILLE COMMUNITY SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 7 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

The School's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2003 and 2002 were \$140,800 and \$92,967, respectively; 73.65 percent has been contributed for fiscal year 2003 and 100 percent for fiscal year 2002. Contributions to the DC and Combined Plans for fiscal year 2003 were \$4,253 made by the School and \$4,571 made by the plan members.

NOTE 8 - POSTEMPLOYMENT BENEFITS

The School provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS Ohio), 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 Ohio benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. 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 Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2003, the STRS Ohio Board allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Reserve Fund. For the School, this amount equaled \$10,381 for fiscal year 2003.

SCIOTOVILLE COMMUNITY SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 8 – POSTEMPLOYMENT BENEFITS (continued)

STRS Ohio pays health care benefits from the Health Care Reserve Fund. At June 30, 2002, (the latest information available) the balance in the Fund was \$3.011 billion. For the year ended June 30, 2002, net health care costs paid by STRS Ohio were \$354,697,000 and STRS Ohio had 105,300 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, 2003, employer contributions to fund health care benefits were 5.83 percent of covered payroll, a decrease of 2.71 percent from fiscal year 2002. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2003, the minimum pay was established at \$14,500. For the School, the amount contributed to fund health care benefits, including the surcharge, during the 2003 fiscal year equaled \$28,448.

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, 2002 (the latest information available), were \$182,946,777 and the target level was \$274.4 million. At June 30, 2002, SERS had net assets available for payment of health care benefits of \$335.2 million. SERS has approximately 50,000 participants currently receiving health care benefits.

NOTE 9 - EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from policies and procedures approved by the Board of Directors. Non-certified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to non-certified employees upon termination of employment. Teachers and administrators who are not on a twelve month contract do not earn vacation time.

SCIOTOVILLE COMMUNITY SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 9 - EMPLOYEE BENEFITS (continued)

Teachers, administrators, and non-certified employees earn sick leave at a rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 200 days. Upon retirement, payment is made for one-fourth of the total sick leave accumulation up to a maximum of thirty days for those employees with at least five full years of service and up to a maximum of forty days for those employees with ten or more years of service.

B. Insurance Benefits

The School provides life, dental and medical/surgical benefits to most employees through Medical Mutual of Ohio. The School also provides vision benefits to most employees through Vision Service Plan.

NOTE 10 – LONG-TERM OBLIGATIONS

The changes in the School’s long-term obligations during the fiscal year 2003 were as follows:

<u>Long-Term Obligations</u>	<u>Principal Outstanding 6/30/02</u>	<u>Additions</u>	<u>Deductions</u>	<u>Principal Outstanding 6/30/03</u>	<u>Amounts Due in One Year</u>
Compensated Absences	\$0	\$3,322	\$0	\$3,322	\$2,728

NOTE 11 – 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 decision is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed “...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...”

The School is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

SCIOTOVILLE COMMUNITY SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 12 - CONTINGENCIES

A. Grants

The School received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the School. 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 at June 30, 2003.

B. State Funding

The Ohio Department of Education reviews enrollment data and full time equivalency (FTE) calculations made by the schools. These reviews ensure the schools are reporting accurate student enrollment data of the State, upon which state foundation funding is calculated. For fiscal year 2003, the review was completed in January 2004. For the School, there was an insignificant variance between the amount received to date and the final payment equaling \$448. This variance will have no effect on the financial standing of the Community School.

C. Litigation

A suit was filed in Franklin County Common Pleas Court on May 14, 2001, alleging that Ohio's Community (i.e., Charter) Schools program violates the state Constitution and state laws. On April 21, 2003, the Court dismissed the counts containing constitutional claims and stayed the other counts pending appeal of the constitutional issues. The plaintiffs appealed to the Court of Appeals, the issues have been briefed, and the case was heard for oral argument on November 18, 2003. The effect of this suit, if any, on the School is not presently determinable.

NOTE 13 – CORRECTION OF ERROR

Correction of Errors

During fiscal year 2003, errors were discovered that related to capital assets for fiscal year 2002. Some donated assets were incorrectly valued, causing net assets to be overstated. This resulted in the following restatement of net assets:

Net Assets, June 30, 2002, as reported	\$4,284,546
Restatement of Capital Assets	
Net of Depreciation	<u>(112,258)</u>
Net Assets, June 30, 2002, as restated	<u><u>\$4,172,288</u></u>

SCIOTOVILLE COMMUNITY SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 14 – SUBSEQUENT EVENT

On August 11, 2003, the School entered into a contractual agreement with Stevens Construction Co. in the amount of \$166,370 for repairs to the roof of the School building.

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**SCIOTOVILLE COMMUNITY SCHOOL
SCIOTO COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR JUNE 30, 2003**

FEDERAL GRANTOR/ Pass Through Grantor Program Title	Pass-Through Entity's Number	Federal CFDA Number	Receipts	Noncash Receipts	Disbursements	Noncash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Donation	N/A	10.550	\$0	\$ 7,335	\$0	\$ 7,335
School Breakfast Program	05PU-02/03	10.553	7,194	0	7,194	0
National School Lunch Program	LLP4-02/03	10.555	41,898	0	41,898	0
Total Nutrition Cluster			49,092	7,335	49,092	7,335
Total U.S. Department of Agriculture			49,092	7,335	49,092	7,335
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Title I Grants to Local Educational Agencies	C1S1 02/03	84.010	238,390	0	246,649	0
Special Education_Grants to States	6BCM 2003	84.027	20,692	0	20,692	0
	6BSD 2003		8,830	0	3,556	0
	6BSF 2003		25,709	0	28,080	0
Total Special Education_Grants to States			55,231	0	52,328	0
Safe and Drug - Free Schools and Communities_State Grants	DRS1 2003	84.186	388	0	475	0
Eisenhower Professional Development State Grants	MSS1 2002	84.281	2,849	0	3,165	0
Charter Schools	CHS1 02/03	84.282A	150,000	0	132,517	
Innovative Education Program Strategies	C2S1 02/03	84.298	2,179	0	1,689	0
Education Technology State Grants	TJS1 2003	84.318	737	0	0	0
Class Size Reduction	CRS1 2002	84.340	629	0	2,245	0
Improving Teacher Quality State Grant	TRS1-2003	84.367	9,497	0	6,037	0
Total U.S. Department of Education			459,900	0	445,105	0
Total Federal Awards Receipts and Expenditures			\$508,992	\$7,335	\$494,197	\$7,335

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

**SCIOTOVILLE COMMUNITY SCHOOL
SCIOTO COUNTY**

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) is a summary of the School District's Federal Award Programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

Program regulations do not require the Government to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This nonmonetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.



Auditor of State Betty Montgomery

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

Sciotoville Community School
Scioto County
224 Marshall Avenue
Portsmouth, Ohio 45662

To the Board of Education:

We have audited the basic financial statements of the Sciotoville Community School, Scioto County, Ohio (the School), as of and for the year ended June 30, 2003, and have issued our report thereon dated February 20, 2004. 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's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the School in a separate letter dated February 20, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the School in a separate letter dated February 20, 2004.

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Sciotoville Community School
Scioto County
Independent Accountants' Report on Compliance and on
Internal Control Required by Government Auditing Standards
Page 2

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

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

Betty Montgomery
Auditor of State

February 20, 2004



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

Sciotoville Community School
Scioto County
224 Marshall Avenue
Sciotoville, Ohio 45662

To the Board of Education:

Compliance

We have audited the compliance of the Sciotoville Community School, Scioto County, Ohio (the School), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. The School's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School's management. Our responsibility is to express an opinion on the School'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'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's compliance with those requirements.

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

Internal Control Over Compliance

The management of the School 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's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the School in a separate letter dated February 20, 2004.

This report is intended for the information and use of management, the Board of Directors, 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

February 20, 2004

**SCIOTOVILLE COMMUNITY SCHOOL
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
FOR THE YEAR ENDED JUNE 30, 2003**

1. SUMMARY OF AUDITOR'S RESULTS
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(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Title I Grants to Local Educational Agencies- CFDA #84.010 Charter Schools – CFDA #84.282A
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

SCIOTOVILLE COMMUNITY SCHOOL
SCIOTO COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
FOR THE YEAR ENDED JUNE 30, 2003
(Continued)

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

None

3. FINDINGS FOR FEDERAL AWARDS

None



**Auditor of State
Betty Montgomery**

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SCIOTOVILLE COMMUNITY SCHOOL

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
MARCH 18, 2004**