



Dave Yost • Auditor of State





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To the residents, elected officials, management, and stakeholders of the Conotton Valley Union Local School District,

At the request of the Ohio Department of Education, the Auditor of State's Ohio Performance Team conducted a performance audit of the District to provide an independent assessment of operations. Functional areas selected for operational review were identified with input from District administrators and were selected due to strategic and financial importance to the District. Where warranted, and supported by detailed analysis, this performance audit report contains recommendations to enhance the District's overall efficiency and effectiveness. This report has been provided to the District and its contents have been discussed with the appropriate elected officials and District management.

The District has been encouraged to use the management information and recommendations contained in the performance audit report. However, the District is also encouraged to perform its own assessment of operations and develop alternative management strategies independent of the performance audit report. The Auditor of State has developed additional resources to help Ohio governments share ideas and practical approaches to improve accountability, efficiency, and effectiveness.

**SkinnyOhio.org:** This website, accessible at <http://www.skinnyohio.org/>, is a resource for smarter streamlined government. Included are links to previous performance audit reports, information on leading practice approaches, news on recent shared services examples, the Shared Services Idea Center, and other useful resources such as the Local Government Toolkit. The Shared Services Idea Center is a searchable database that allows users to quickly sort through shared services examples across the State. The Local Government Toolkit provides templates, checklists, sample agreements, and other resources that will help local governments more efficiently develop and implement their own strategies to achieve more accountable, efficient, and effective government.

This performance audit report can be accessed online through the Auditor of State's website at <http://www.ohioauditor.gov> and choosing the "Search" option.

Sincerely,

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

March 18, 2014

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# Executive Summary

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## Purpose and Scope of the Audit

The Ohio Department of Education (the Department) requested and funded this performance audit of the Conotton Valley Union Local School District (CVULSD or the District). The Department requested this performance audit with the goal of improving CVULSD's financial condition through an objective assessment of the economy, efficiency, and effectiveness of the District's operations and management. See **Table 1** in **Background** for a full explanation of the District's financial condition.

The following scope areas were selected for detailed review and analysis in consultation with the District, including financial management, human resources, facilities, transportation and food service. See **Appendix A: Scope and Objectives** for detailed objectives developed to assess operations and management in each scope area.

## Performance Audit Overview

The United States Government Accountability Office develops and promulgates Government Auditing Standards that provide a framework for performing high-quality audit work with competence, integrity, objectivity, and independence to provide accountability and to help improve government operations and services. These standards are commonly referred to as generally accepted government auditing standards (GAGAS).

The Auditor of State's (AOS) Ohio Performance Team (OPT) conducted this performance audit in accordance with GAGAS. These standards require that OPT plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. OPT believes that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

This performance audit provides objective analysis to assist management and those charged with governance and oversight to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

## Audit Methodology

To complete this performance audit, auditors gathered data, conducted interviews with numerous individuals associated with the various divisions internally and externally, and reviewed and assessed available information. Assessments were performed using criteria from a number of sources including; peer comparisons, industry standards, leading practices, statutory authority, and applicable policies and procedures.

In consultation with the District, the following five Ohio school districts were identified as peers: Edgerton Local (Williams County), Edon North-West Local (Williams County), Hardin Northern Local (Hardin County), Old Fort Local (Seneca County) and Ridgemont Local (Hardin County). Where reasonable and appropriate, peer districts were used for comparison.

Employee compensation can be impacted by factors outside District management's direct control, such as geographic location and surrounding district competition. For this reason, comparisons related to compensation were made to a select group of five districts, referred to as the surrounding districts. The surrounding districts include: Brown Local (Carroll County), Garaway Local (Tuscarawas County), Newcomerstown Exempted Village (Tuscarawas County), Strasburg-Franklin Local (Tuscarawas County), and Tuscarawas Valley Local (Tuscarawas County).

Industry standards or leading practices were used for primary comparisons. Sources of industry standards or leading practices used in this audit include: Ohio Administrative Code (OAC), Government Finance Officers Association (GFOA), the State Employment Relations Board (SERB), the Ohio Department of Administrative Services (DAS), the Ohio Department of Education (ODE), the American Schools and Universities (AS&U), and the National Center for Education Statistics (NCES).

The performance audit involved information sharing with the District, including drafts of findings and recommendations related to the identified audit areas. Periodic status meetings throughout the engagement informed the District of key issues impacting selected areas, and shared proposed recommendations to improve operations. The District provided verbal and written comments in response to various recommendations that were taken into consideration during the reporting process.

AOS and OPT express their appreciation to the elected officials, management, and employees of the Conotton Valley Union Local School District for their cooperation and assistance throughout this audit.

## **Noteworthy Accomplishments**

Noteworthy accomplishments acknowledge significant accomplishments or exemplary practices. The following summarizes one noteworthy accomplishment identified during the course of this audit.

- **Sick Leave:** CVULSD has a formal sick leave policy outlined in both the certificated and classified collective bargaining agreements (CBA). Sick leave is monitored and enforced by the Superintendent and High School Principal. The Superintendent and High School Principal talk with employees requesting high amounts of sick leave and work with them to encourage good attendance. Further, the District is currently seeking an electronic system capable of monitoring employee attendance, electronically processing requests for time off, and sending out e-mails to a substitute list.

## Issues for Further Study

Auditing standards require the disclosure of significant issues identified during an audit that were not reviewed in depth. These issues may not be directly related to the audit objectives or may be issues that the auditors did not have the time or resources to pursue. The District should further study the following issues:

- **District Buildings:** The District is exploring options for a one-building campus. Before the District makes a decision it should first conduct a study to understand all possible costs associated with the construction of additional square footage and how a one-building campus would affect staffing levels, transportation costs and food service. A one-building approach will leave the District with two vacant buildings and the costs associated with upkeep unless it can sell or lease them.

## Summary of Recommendations

The following table summarizes performance audit recommendations and financial implications, where applicable.

### Summary of Recommendations

Recommendations	Savings
<b>R.1 Eliminate 5.0 FTE general education teaching positions</b>	\$209,890
<b>R.2 Increase employee healthcare contributions</b>	\$37,600
<b>R.3 Improve budgeting practices</b>	N/A
<b>R.4 Develop a strategic plan</b>	N/A
<b>R.5 Renegotiate contract provisions</b>	\$23,600
<b>R.6 Develop procedures for Education Management Information System (EMIS)</b>	N/A
<b>R.7 Competitively bid supplies and services or use the DAS contract</b>	N/A
<b>R.8 Improve access to financial information</b>	N/A
<b>R.9 Develop policies and procedures for compiling transportation data</b>	N/A
<b>R.10 Cross-train employees to complete key transportation activities</b>	N/A
<b>R.11 Develop a formal bus maintenance and replacement plan</b>	N/A
<b>R.12 Monitor fuel market rates and apply for Motor Fuel Tax Refund</b>	\$9,000
<b>Cost Savings Adjustments<sup>1</sup></b>	(\$4,600)
<b>Total Cost Savings from Performance Audit Recommendations</b>	<b>\$275,490</b>

<sup>1</sup> The cost savings adjustment assumes the District will implement staffing reductions (recommendation R.1) prior to increasing healthcare contributions (recommendation R.2). Detailed information concerning the individual financial implications is contained in the respective recommendations within the performance audit.

The following table shows the District's ending fund balances as projected in the October 2013 five-year financial forecast. Included are annual savings identified in this performance audit and the estimated impact that implementation of the recommendations will have on the ending fund balances from FY 2013-14 through FY 2017-18.

### Financial Forecast with Performance Audit Recommendations

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
<b>Original Ending Fund Balance</b>	\$817,202	\$592,034	\$490	(\$613,948)
<b>Cumulative Balance of Performance Audit Recommendations</b>	\$275,490	\$550,980	\$826,470	\$1,101,960
<b>Revised Ending Fund Balance</b>	<b>\$1,092,692</b>	<b>\$1,143,014</b>	<b>\$826,960</b>	<b>\$488,012</b>

Source: CVULSD October FY 2013-14 five-year forecast and performance audit recommendations

Note: Although the District should seek to implement recommendations as soon as practical, there may be a reasonable delay in doing so. As a result, cost savings have been applied to FY 2014-15 through FY 2017-18 only.

While the performance audit recommendations are based on the District's operations during FY 2012-13, implementation of all recommendations may not be possible until FY 2014-15 as some recommendations require contract negotiations and others simply would not be implementable until the start of a new fiscal year. If CVULSD implements the recommendations in the performance audit, the projected fund balance in FY 2017-18 would improve from a deficit of \$613,948 to a positive balance of \$488,012.

## Background

The District had operating deficits in FY 2009-10, FY 2010-11 and FY 2011-12. According to the October 2013 five-year forecast, it is also projected to have operating deficits from FY 2015-16 through FY 2017-18 that result in a negative fund balance of \$613,948 for FY 2017-18. All tax levies of the District are continuing, with the exception of an 8.3 mill emergency levy renewed by district voters in November 2009. The emergency levy generates \$545,000 each year for five years and expires in calendar year 2015. The District placed new emergency levies before the voters in November 2010, May 2011 and November 2012, each of which was defeated. The last time new operating funds were approved by district voters was November 1996.

**Table 1** shows CVULSD's total revenues, total expenditures, results of operations, beginning cash balances, and ending fund balance as projected in the District's October 2013 five-year forecast compared to its May 2013 forecast. This information is an important measure of the financial health of the District and serves as the basis for identification of conditions leading to fiscal status designation by AOS and ODE.

**Table 1: CVULSD Financial Condition Overview (May 2013)**

Projected Financial Condition – May 2013					
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Total Revenue	\$4,821,877	\$4,856,685	\$4,620,152	\$4,383,458	N/A
Total Expenditure	\$4,874,311	\$5,070,606	\$5,218,202	\$5,422,971	N/A
<b>Results of Operations</b>	<b>(\$52,434)</b>	<b>(\$213,921)</b>	<b>(\$598,050)</b>	<b>(\$1,039,513)</b>	<b>N/A</b>
Beginning Cash Balance	\$331,995	\$279,561	\$65,640	(\$532,410)	N/A
<b>Ending Fund Balance</b>	<b>\$279,561</b>	<b>\$65,640</b>	<b>(\$532,410)</b>	<b>(\$1,571,923)</b>	<b>N/A</b>
Projected Financial Condition – October 2013 Update					
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Total Revenue	\$4,727,820	\$4,776,205	\$4,537,766	\$4,297,892	\$4,356,834
Total Expenditure	\$4,537,928	\$4,682,673	\$4,762,934	\$4,889,436	\$4,971,272
<b>Results of Operations</b>	<b>\$189,892</b>	<b>\$93,532</b>	<b>(\$225,168)</b>	<b>(\$591,544)</b>	<b>(\$614,438)</b>
Beginning Cash Balance	\$533,778	\$723,670	\$817,202	\$592,034	\$490
<b>Ending Fund Balance</b>	<b>\$723,670</b>	<b>\$817,202</b>	<b>\$592,034</b>	<b>\$490</b>	<b>(\$613,948)</b>

Source: CVULSD May and October 2013 five-year forecast

Note: Ending cash balance is same as ending fund balance because District does not have encumbrances

As shown in **Table 1**, the District's October 2013 five-year forecast projects an operating deficit of \$225,168 in FY 2015-16. This deficit condition is a direct result of expenditures that continue to outpace revenues and begin to deplete cash balances in FY 2015-16. Left unaddressed, these conditions are projected to result in a cumulative deficit of \$613,948 by FY 2017-18.

Eliminating future deficits can be accomplished by decreasing expenditures, increasing revenue, or a combination of both. Management control over operating decisions can directly affect

expenditures. Consequently, CVULSD's operations and related expenses were examined by OPT in an effort to identify areas of potential cost savings for the District.

Revenue, on the other hand, is not directly controlled by school districts, but instead by federal and State laws and regulations and support from local residents. ODE's Local Tax Effort Index<sup>1</sup> is a tool designed to reflect the extent of effort the residents of a school district make in supporting public elementary and secondary education while considering the residents' ability to pay. In FY 2011-12, CVULSD's Local Tax Effort Index was 1.27. The average of the peer districts was 1.30, indicating very similar levels of means-adjusted local support that are above the statewide average. If CVULSD's revenue increases, the District may be able to address the projected deficits with fewer reductions to services.

**Table 2** shows the District's expenditures per pupil (EPP) compared to the peer average EPP for FY 2011-12.

**Table 2: Expenditure per Pupil (EPP) Peer Comparison**

	CVULSD EPP	Peer Avg. EPP	EPP Difference	Percent Difference
FTE Students <sup>1</sup>	512	538	(27)	(5.0%)
Administrative	\$1,508	\$1,443	\$66	4.6%
Building Operations	\$2,226	\$1,927	\$299	15.5%
Staff Support	\$318	\$207	\$111	53.3%
Pupil Support	\$640	\$867	(\$227)	(26.2%)
Instructional	\$5,644	\$4,929	\$715	14.5%
<b>Total Expenditure per Pupil (EPP)</b>	<b>\$10,337</b>	<b>\$9,374</b>	<b>\$963</b>	<b>10.5%</b>

Source: Ohio Department of Education

<sup>1</sup> FTE students reflects the number of students used by ODE to calculate expenditures per pupil.

As shown in **Table 2**, the District's FY 2011-12 EPP exceeded the peer average by 10.5 percent. The District spent more than the peers in administrative, building operations, staff support, and instructional.

It should be noted that **Table 2** represents FY 2011-12 when the District had a negative operating balance of \$440,029. In FY 2012-13, the District ended with a positive operating balance of \$76,609 (see **Appendix A5** for the full forecast). At the end of FY 2012-13, the Board of Education implemented significant reductions in an effort to reduce costs. Based on the District's efforts to reduce spending in FY 2012-13 and FY 2013-14, expenditures per pupil should show a significant decrease when ODE publishes these numbers again.

## Subsequent Events

Findings and recommendations within this performance audit were based on an analysis of the District's October 2013 five-year financial forecast (see **Table 1**) and operations during FY 2012-13. During the course of the performance audit, CVULSD exhibited prudent fiscal and operational decision-making in managing its projected General Fund deficit. The Board and

<sup>1</sup> A value of 1 indicates average local tax support, while values below 1 or above 1 reflect below average or above average support, respectively.

administrators were proactive in making difficult decisions to reduce overall expenditures and future operating deficits as shown in **Table 1** when comparing the May 2013 five-year forecast to the October 2013 five-year forecast. During the course of the audit, the District continued to work to reduce expenditures. Listed below are the changes the District made from FY 2012-13 to FY 2013-14:

- Closed Sherrodsville Elementary;
- Reduced one active bus used to transport regular students;
- Reduced staff by 6.8 FTE's;
- Negotiated to increase employee health insurance contributions (see **R.2**); and
- Negotiated a health insurance plan design to reduce health insurance premiums.

# Recommendations

## R.1 Eliminate 5.0 FTE general education teaching positions

It is widely recognized that staffing cuts can have a direct impact on the quality of service provided in many professions, and the teaching profession is no exception. In the case of school districts struggling to balance their books, however, staffing reductions that drive a district below peer average staffing are sometimes needed if the district expects to balance its five-year forecast. For that reason, several options for staffing reductions will be presented in the categories of general education teachers.

**Table 3** presents several options for making staffing reductions in the general education teacher staffing category. The minimum staffing level for general education teachers is spelled out in Ohio Administrative Code (OAC) 3301-35-05. The State minimum requirement for teaching staff in this category is one general education teacher FTE per 25 regular education students.

Option 1, in **Table 3** shows staffing levels at a general education teacher staffing ratio 20 percent above the State minimum required by OAC and compares that to current general education teacher staffing levels.

Option 2 in **Table 3** shows staffing levels at a general education teacher staffing ratio 10 percent above the State minimum required by OAC and compares that to current general education teacher staffing levels.

Option 3 is the most impactful and brings the school district to the minimum number of general education teachers required by OAC and compares that to current general education teacher staffing levels.

**Table 3: General Education Teachers**

General Education Teacher FTEs					23.5
Regular Student Population					358
Options	Staffing Ratio by Option (Students:Teachers)	Proposed Staffing for each Option	Difference Above / (Below)	Annual Savings	
Option 1, 20% Above State Minimum	20:1	17.9	5.6	\$209,890	
Option 2, 10% Above State Minimum	22.5:1	15.9	7.6	\$293,846	
Option 3, State Minimum	25:1	14.3	9.2	\$377,802	

Source: CVULSD and OAC

Option 1 indicates that CVULSD could reduce their general education teacher staffing level by 5.6 FTEs and still remain 20 percent above the State minimum staffing ratio. Option 2 shows that CVULSD could reduce their general education teacher staffing level by 7.6 FTEs and still remain 10 percent above the State minimum staffing ratio. Option 3 shows that CVULSD’s State

minimum general education teacher staffing level is 14.3 FTEs compared to their current staffing level of 23.5 FTEs for a difference of 9.2 FTEs above the State minimum standard.

The District's financial condition doesn't currently warrant the staffing reductions outlined in Options 2 or 3. Option 1 should provide CVULSD with sufficient cost savings, when coupled with other recommendations, to balance their five-year forecast and allow them time to assess the impact these reductions may have on educational programs before making additional reductions if it is deemed necessary.

**Financial Implication:** If CVULSD reduces general education teaching positions by 5.0 FTEs, they would realize savings of approximately **\$209,890** annually based on a first year teacher at the BA level earning \$26,909 with benefits of \$15,069<sup>2</sup>.

## **R.2 Increase employee healthcare contributions**

**Prior to making any changes to health insurance contributions, the District should review the Patient Protection and Affordable Care Act to ensure that intended results will be achievable under the new legislation.**

The District offers medical, prescription, and dental benefits for its employees through a preferred provider organization (PPO) plan that incorporates a health reimbursement arrangement (HRA). CVULSD provides a high-deductible healthcare plan and established an HRA to cover 80 percent of an employee's deductible. The PPO plan covers 100 percent of healthcare costs for in-network services once the deductible is met. Of the 47 employees enrolled in CVULSD's healthcare program for FY 2013-14, 9 are single plans and 38 are family plans.

The State Employment Relations Board (SERB) surveys public sector entities concerning health insurance costs and publishes this information on an annual basis. The purpose of this survey is to provide data on various aspects of health insurance, plan design, and cost for government entities in Ohio. CVULSD's 2013 PPO premiums, plan design and employee contributions for single and family coverage were compared to averages published in the *21<sup>st</sup> Annual Report on the Cost of Health Insurance in Ohio's Public Sector* (SERB, 2013).<sup>3</sup>

The District's overall plan design for health and dental plans align with the 2013 SERB survey with respect to premiums, employee deductible contributions, and out-of-pocket costs. However, the District can improve the cost effectiveness of the health and dental insurance plans by addressing the following:

**Employee Contributions:** For FY 2013-14, certificated employees are required to contribute \$11.00 per month for single coverage and \$22.00 per month for family coverage which equates

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<sup>2</sup> The average benefit percentage is calculated by taking the District's total employee retirement and insurance benefits divided by the District's total personal service expenditures in FY 2011-12.

<sup>3</sup> The 2013 survey was sent to 1,325 governmental jurisdictions, 720 of which were school districts and Education Service Centers (ESC). The response rate for 2013 was 92.5 percent for all public jurisdictions, including 700 school districts and ESCs.

to 3.3 percent and 3.2 percent of the premium cost. Similarly, classified staff members are required to contribute \$5.00 per month for single coverage and \$10.00 per month for family coverage which equates to 1.5 percent of the premium cost. By comparison, the 2013 SERB survey reports the average contribution for school districts with less than 1,000 students was 11.1 percent and 12.4 percent for single and family healthcare plans, respectively.

Currently, the District does not require employees to contribute toward the cost of their dental premiums. According to the 2013 SERB survey, the average employee premium contribution for school districts is 14.9 percent for single plans and 15.1 percent for family plans.

Financial Implication: If the District increased employee health and dental contributions to the SERB survey averages, it would save approximately **\$37,600** per year. This estimate of savings was calculated by applying the difference between CVULSD's employee contribution to the SERB average contribution for the number of employees on CVULSD's single and family health and dental plans. **Table A3** in the **Appendix** provides a detailed illustration of this calculation.

### **R.3 Improve budgeting practices**

The District's annual budget is not linked to formal goals, objectives, and performance measures identified in a long-term comprehensive strategic plan (see **R.4**). To create its budget, the Treasurer and Superintendent rely on past spending decisions instead of future goals and objectives.

ORC 5705.38 requires the Board of Education to pass its annual appropriations measure by the first day of October. Although the District met the deadlines set forth in ORC 5705.38, it could improve its budgeting practices by following the framework set out by the National Advisory Council on State and Local Budgeting (NACSLB).

According to *Recommended Budget Practices* (GFOA, 1998.) the NACSLB defines budgeting as a strategic process that positions entities to meet long-term programs, services, and financial goals by following its four major principles:

- Establish broad goals to guide decision making. A government should have broad goals that provide it with overall direction and serve as a basis for decision making. (e.g., strategic planning, long-range financial planning)
- Develop approaches to achieve goals. A government should have specific policies, plans, programs, and management strategies to define how it will achieve its long-term goals. (e.g., financial policies, business plans, performance measurements, individual performance objectives)
- Develop a budget consistent with approaches to achieve goals. A financial plan and budget that moves toward achievement of goals, within the constraints of available resources, should be prepared and adopted. (e.g., strategically focused budget: outcome-based, performance based)
- Evaluate performance and make adjustments. Program and financial performance should be continually evaluated, and adjustments made, to support progress in achieving goals.

(e.g., quarterly and annual budget and performance reports, performance audits, special evaluation studies, strategic and financial plan revisions)

In the absence of a formal strategic plan to guide program and funding decisions, the District is at risk of not fully evaluating the relationship between its spending decisions and program outcomes. This, in turn, increases the risk of inefficiently and/or ineffectively addressing District needs.

#### **R.4 Develop a strategic plan**

CVULSD does not have a comprehensive strategic plan that guides long-term operations and spending decisions. *Recommended Practice on the Establishment of Strategic Plans* (GFOA, 2005) indicates that governments should develop a strategic plan in order to provide a long-term perspective for service delivery and budgeting. The strategic plan should establish logical links between spending and goals. In addition, the focus of the strategic plan should be on aligning organizational resources to bridge the gap between present conditions and the envisioned future. GFOA recommends the following steps when developing a strategic plan:

- Initiate the strategic planning process;
- Prepare a mission statement;
- Identify and assess environmental factors and critical issues;
- Agree on a small number of goals and develop strategies and action plans to achieve them;
- Develop measurable objectives and incorporate performance measures;
- Approve, implement and monitor the plan; and
- Reassess the strategic plan annually

#### **R.5 Renegotiate contract provisions**

**In future contract negotiations the District should renegotiate to reduce the number of sick days paid at retirement. If able to renegotiate severance payouts to reflect ORC standards, the District will realize significant future savings.**

CVULSD's maximum severance payout for retiring employees is slightly higher than the ORC. The District's classified and certificated CBAs stipulate when employees retire, they shall receive severance pay for 25 percent of the sick leave days they have accumulated but not used, up to a maximum of 59 days. By comparison, ORC §124.39 states that public employees are entitled to receive a maximum pay out of 30 sick days. The District offers a sick leave severance payout that is 29 days more generous than the amount required by the ORC. By allowing a higher severance payout at retirement, the District is incurring additional costs. If the District had followed the ORC in providing severance in FY 2012-13, it could have saved a total of \$23,600.

While it is impossible to accurately predict how much the current provision will cost the District in each future year, reducing the payout to ORC minimums will result in a significant cost avoidance compared to past years.

**Financial Implication:** Negotiating to make the identified provision consistent with State standards would have saved the District **\$23,600** in FY 2012-13. The savings were calculated by applying the difference between the actual severance payments from FY 2013 to the ORC severance language. **Table A4** in the **Appendix** provides a detailed illustration of this calculation.

### **R.6 Develop procedures for Education Management Information System (EMIS)**

The District's EMIS Coordinator is responsible for entering and maintaining EMIS information. However, CVULSD does not have formal policies and procedures for preparing, reviewing, and reconciling EMIS information prior to submission to ODE. Furthermore, no one at the District has achieved Certified EMIS Professional status through the Ohio Association of EMIS Professionals (OEAP), although the EMIS Coordinator has attended ODE sponsored trainings regarding EMIS reporting and uses checklists from the Information Technology Center (ITC).

To determine the reliability of CVULSD's FY 2012-13 EMIS staffing information, AOS conducted a sample review of EMIS data by comparing it to payroll reports and other supporting documentation. AOS found that the District's EMIS reports are generally reliable for decision-making purposes.

To help districts submit accurate EMIS data, the OAEP offers Certified EMIS Professional and Master Certified EMIS Professional designations, which are earned after completing a regimented program of professional development and work experience. According to ODE, Certified EMIS Professionals and Master Certified EMIS Professionals are committed to maintaining the highest standards possible regarding the collection and reporting of student, staff and district data. In addition, ODE publishes detailed guidelines that include recommended procedures for ensuring the accuracy of EMIS data. CVULSD should develop formal policies and procedures for preparing, reviewing, and reconciling EMIS information prior to submission to ODE.

### **R.7 Competitively bid supplies and services or use the DAS contract**

The District does not use the Department of Administrative Services (DAS) as a resource for purchasing supplies and services nor could it provide documentation showing the district shops prices with other suppliers for the lowest price. Instead, it uses local vendors for service and supply purchases.

According to the Ohio Compliance Supplement Optional Procedure Manual (OPM), a school district may purchase supplies or services from another party, including another political subdivision, instead of through a contract that DAS has entered into on behalf of the school district, if the school district can prove that it can purchase the same supplies or services from another party upon equivalent conditions and specifications but at a lower price. If so, the school district does not have to competitively bid those supplies or services [Section 125.04 (C)].

The District should competitively bid supplies and services or use the DAS contract to ensure it is not spending more on purchases than necessary.

## R.8 Improve access to financial information

The last time the District passed an operating levy was in 1996. In recent years, the District has made an effort to communicate with its stakeholders through community meetings and a citizen survey to gauge levy support. In addition to these efforts the District should consider the following:

**Supplemental Reporting:** The Treasurer indicated that the District does not prepare a comprehensive annual financial report (CAFR), a popular annual financial report (PAFR), or other information to supplement the annual report. The District could provide supplemental reporting with limited preparation costs. For example, *Advancing Government Accountability: Citizen-Centric Reporting (CCR) Initiative* is intended to detail information sharing between governments and its citizens. The CCR initiative is a way to feature government finances in a visually appealing, clear and understandable four-page document. The suggested document format shares community information such as population figures, regional characteristics and its goals on page one. The second page presents a performance report on key initiatives, missions and service delivery. The third page details costs and revenue information and the fourth page looks forward to the year ahead. Likewise, *Recommended Practices: Preparing Popular Reports* (GFOA, 2006) encourages governments to supplement their annual financial reports, with simpler, "popular" annual financial reports designed to assist those who need a less detailed overview of a government's financial activities. The intent of a PAFR is to provide objective information to local citizens in a clear and concise manner, using charts and graphs to interpret financial data and to help identify trends.

**Website:** The District's website does not have an area dedicated to the Treasurer's office or links to financial data. Furthermore, the website does not have a link to Board meeting minutes. By comparison, the Treasurer's web page at Edon Northwest Local Schools (Williams County) includes Board meeting minutes, additional financial information explaining the forecast, historical expenditures and revenue per pupil, spending comparisons with other area districts and levy information. Similarly, Hardin Northern Local School District (Hardin County) includes a Treasurers report that shows the Districts total revenue and expenditures by month and its five year forecast. The Districts webpage also includes Board meeting minutes.

**Newsletter:** The District provided a newsletter to the public in October 2012, which was mostly informational in nature but did explain the reason the District was seeking a levy. In comparison, Nordonias Hills City School District (Summit County) provides a newsletter to its stakeholders that include financial information such as annual and historical spending per pupil, tax information, and historical operating balances.

**Strategic Plan:** The District does not have a Board-approved strategic plan. See recommendation **R.4** for additional information about the benefits of a robust strategic plan.

The District should improve access to its financial information through supplemental reporting, developing a strategic plan, and providing additional details on its website and in its newsletters. Stakeholders will then have better access to the tools necessary for making long-term financial decisions.

## R.9 Develop policies and procedures for compiling transportation data

**The District should develop formal policies and procedures that stipulate the process for completing T-forms, and properly maintain the required supporting documentation. The District should ensure that it is accurately reporting costs, riders, and miles to ODE in a timely manner and in accordance with State law. Additionally, the policies and procedures should cover the review process for data in the T-forms, such as reconciling costs in the T-2 form to the District's accounting system.**

Each school district in Ohio is required to report information about transportation operations to ODE on an annual basis in accordance with ORC and OAC. The T-1 form is used to report information on students, buses, and miles. The T-2 form is used to report the actual expenses incurred for the transportation of eligible students to and from school. At CVULSD, the Transportation Supervisor and Treasurer are primarily responsible for preparing these reports.

According to the Transportation Supervisor, the District does not have formal policies and procedures for completing T-forms or properly maintaining the required supporting documentation. During the course of the performance audit, AOS noted several T-form discrepancies that were discussed with the Treasurer and the Transportation Supervisor:

- CVULSD's FY 2010-11 and FY 2011-12 T-1 form only counted students for one day rather than taking the average count for five days as instructed by ODE;
- CVULSD's FY 2010-11 T-1 form did not report transporting any students using payment in lieu of transportation (*Type IV*) on its T-1 report, but reported a corresponding cost of \$189 for this method of transportation on its T-2 report;
- CVULSD reported the total premium cost of all vehicle insurance on the T-2 reports for FY 2009-10, FY 2010-11, and FY 2011-12, instead of reporting these costs for only the buses;

T-1 and T-2 Reports are essential to each district's transportation management process. T-forms are the tools by which the district collects the data necessary to evaluate operational effectiveness. The T-1 and T-2 Reports are also used to calculate the district's special education transportation funding.

ODE's Office of Pupil Transportation, in conjunction with the Ohio Association of School Business Officials (OASBO) and the Ohio Association of Pupil Transportation (OAPT), has developed a series of trainings that school district administrators and employees can attend at a low cost. The trainings are held several times each year, and include a "Back to the Basics" training session. Information about the transportation trainings can be found on OASBO's website; [www.oasbo-ohio.org](http://www.oasbo-ohio.org). In addition, ODE's Office of Pupil Transportation posts statewide emails on its webpage which contain important pupil transportation information.

The development of policies and procedures documenting the District's T-form reporting process and retention of supporting documentation will help ensure accurate reporting of transportation information to ODE in accordance with ORC and OAC standards.

**R.10 Cross-train employees to complete key transportation activities**

**The District should take steps to cross-train at least one other employee to complete key transportation activities, such as compiling the T-forms and operating the new routing software.**

The District lacks appropriate cross-training for certain key activities within the Transportation Department. For example, the Transportation Supervisor is the only employee trained to prepare the T-1 forms while the Treasurer is the only employee trained to prepare the T-2 forms. Also, the District lacks policies, procedures and other manuals to provide additional guidance (see **R.9**).

Currently, there is no formal meeting held between the Transportation Supervisor and the Treasurer to ensure accurate T-form data. Also, the District has no documentation identifying which officials are responsible for which aspects of transportation reporting or how transportation data is obtained and costs are allocated. The lack of cross-training and procedural documentation increases the risk of inefficiency and/or data integrity issues should the Transportation Supervisor or Treasurer be unable to complete these tasks.

The article *Cross-Training: A Case Study* (SANS Technology Institute, 2007) indicates that every organization has a need for cross-training and warns of potential problems due to single points of failure. The article also indicates that when only one person knows how to support a given technology or perform the required work and they need to go on vacation, decide to retire, meet with an unfortunate and untimely accident or any other similar scenario, the company is at risk.

**R.11 Develop a formal bus maintenance and replacement plan**

Conotton Valley Union LSD should develop a formal maintenance plan to help ensure that bus replacement needs are effectively evaluated and communicated. This plan should account for enrollment and ridership trends, and the maintenance and repair costs for each bus. Doing so would allow the District to plan for the replacement of buses at the most advantageous points in their lifecycles. Additionally, this plan should be linked to the District’s budget so that bus replacement funds are available when needed. Without a replacement plan, the District may be unprepared for future capital obligations and risk devoting additional resources to maintaining buses that are progressively becoming more costly to maintain.

**Table 4** compares the bus maintenance and repair expenditure ratios with the respective peer averages for FY 2011-12.

**Table 4: Bus Maintenance and Repair Costs FY 2011-12**

	CVULSD	Peer Average	Difference	% Difference
Per routine mile	\$0.84	\$0.49	\$0.35	71.40%
Per yellow bus rider	\$225.34	\$129.67	\$95.67	73.80%
<b>Per active bus</b>	<b>\$11,975</b>	<b>\$6,158</b>	<b>\$5,817.00</b>	<b>94.50%</b>

Source: FY 2011-12 ODE T-2 Reports

As **Table 4** shows, the District's maintenance and repair costs are significantly higher than the peers on a per routine mile, per yellow bus rider and per active bus basis. The District spent \$5,817 or 94.5 percent more per bus for maintenance and repairs in FY 2011-12 compared to its peers.

According to the *North Carolina School Transportation Fleet Manual* (Adopted May, 2006), effective documentation and planning for preventive maintenance are essential components of an effective, safe and cost-effective maintenance program. Moreover, this documentation serves as the basis for an organization to justify its budget needs and allocations.

*School Bus Replacement Considerations* (NASDPTS, 2002) emphasizes that replacement of school buses should be a planned process. A district's finances are certainly an important consideration in the replacement of buses, and may be an obstacle to replacing them on the schedule desired by the district. However, a bus replacement plan is still a very important resource for the district. The plan can incorporate the maintenance data described above into the decision making process about bus replacement. The plan allows a district to establish its priorities with regard to safety and emissions features. Ultimately, a bus replacement plan allows a district to communicate to its leadership and to the public about the needs of its bus fleet, its progress in meeting its schedule of replacement, and any risks posed by the current state of the fleet.

Formal documentation of repairs would help the District effectively plan for future maintenance costs when making bus replacement decisions. Adopting a bus replacement plan, even without the resources to fund the plan could benefit the District because replacement planning sets priorities and establishes criteria when funding becomes available.

## **R.12 Monitor fuel market rates and apply for Motor Fuel Tax Refund**

The District should join the State of Ohio Purchasing Program (see **R.7**) administered by DAS to take advantage of fuel prices available through this program when warranted. Additionally, the District should claim the Motor Fuel Tax Refund which is available for up to 365 days following a fuel purchase.

DAS offers a cooperative purchasing program for school districts in Ohio at an annual price of \$100. CVULSD has not taken part in this program. Instead it purchases diesel and gasoline fuel through a local vendor.

**Table 5** shows a comparison between a sample of CVULSD's fuel invoices and the price available through the DAS program on the same dates.

**Table 5: DAS Diesel Fuel Price per Gallon Comparison**

Week	Gallons purchased	District price per gallon	DAS price per gallon	Difference
9/14/2011	1,171.1	\$4.199	\$3.569	\$0.630
1/24/2012	300	\$3.899	\$3.337	\$0.562
4/16/2012	754.9	\$4.299	\$3.542	\$0.757
5/15/2012	1,008.5	\$3.999	\$3.641	\$0.358
<b>Average Price</b>		<b>\$4.099</b>	<b>\$3.522</b>	<b>\$0.577</b>

Source: CVULSD fuel invoices and DAS fuel contract price adjustments

The District paid a higher price than the DAS program average in all four of the weeks sampled. An analysis of all fuel invoices in FY 2011-12 showed the District paid a higher price for every fuel purchase when compared to DAS.

Further escalating the District's fuel costs is the fact that it has not historically applied for the Motor Fuel Tax Refund of \$0.06 per gallon available through the Ohio Department of Taxation. This refund is available to government entities that purchase fuel for road use within one year of the fuel purchase.

Financial Implication: Applying for and receiving the Motor Fuel Tax Refund of \$0.06 per gallon would save the District approximately \$1,000 annually, while using the DAS State of Ohio Purchasing Program would have saved \$8,150 based on the average gallons of fuel purchased in FY 2011-12. The District could save over **\$9,000** annually after paying the \$100 fee to join the program.

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## Appendix A: Scope and Objectives

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Generally accepted government auditing standards require that a performance audit be planned and performed so as to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objectives. Objectives are what the audit is intended to accomplish and can be thought of as questions about the program that the auditors seek to answer based on evidence obtained and assessed against criteria.

In consultation with the Department and the District, OPT identified the following scope areas for detailed review: financial management, human resources, facilities, transportation, and food service. Based on the agreed upon scope OPT developed objectives designed to identify improvements to economy, efficiency, and / or effectiveness. Objectives and scope areas assessed in this performance audit include:

- **Financial Management**
  - Are the District's budgeting practices comparable to best practices?
  - Are the District's purchasing practices comparable to best practices?
  - Is the District's financial communication consistent with leading practices?
  
- **Human Resources**
  - Is the District's education management information system reliable for use?
  - Is the District's special education program cost effective?
  - Are the District's salaries comparable to the peers?
  - Are the District's collective bargaining agreements consistent with leading practices?
  - Are the District's insurance benefits comparable to leading practices?
  - Are the District's staffing levels comparable to peers?
  - Is the District's sick leave usage comparable to State averages?
  
- **Facilities**
  - Is the District's custodial and maintenance staffing efficient compared to peers and other benchmarks?
  - Does the District make effective use of its buildings?
  
- **Transportation**
  - Is the District's T-Form information accurate?
  - Does the District make efficient use of its fleet?
  - Does the District use an efficient process for procuring fuel?
  - Does the District use an efficient process for purchasing supplies and materials?
  - Does the District make efficient use of transportation staff?
  - Does the District use an efficient process for purchasing vehicle insurance?
  
- **Food Service**
  - Is food service dependent upon the General Fund?

The following areas identified in the scope did not result in recommendations because the results were immaterial, less costly or more efficient:

- **Human Resources**
  - Is the Districts' special education program cost effective?
  - Are the District's salaries comparable to the peers?
  
- **Facilities**
  - Is the District's custodial and maintenance staffing efficient compared to peers and other benchmarks?
  
- **Transportation**
  - Does the District make efficient use of its fleet?
  - Does the District make efficient use of transportation staff?
  
- **Food Service**
  - Is food service dependent upon the General Fund?

## Appendix B: Additional Comparisons

### Staffing

**Table A1** illustrates the full-time equivalent (FTE) staffing levels per 100 students at CVULSD and the average of the peer districts. According to the *FY 2013 EMIS Reporting Manual* (ODE, 2013) instructions for reporting staff data, an FTE is defined as the ratio between the amount of time normally required to perform a part-time assignment and the time normally required to perform the same assignment full-time. One (1.0) FTE is equal to the number of hours in a regular working day for that position, as defined by the district.

The latest available peer data is from FY 2012-13 as reported to ODE through the Education Management Information System (EMIS). The staff levels in **Table A1** have been presented on a per 100 student basis because staffing levels are partially dependent on the number of students served. In addition, presenting staffing data in this manner decreases differences attributable to the size of the peer districts. It should be noted that adjustments were made to CVULSD's EMIS data to reflect accurate staffing levels as of October 2013.

**Table A1: CVULSD Staffing Comparison**

	CVULSD		Peer Average	Difference	
Students <sup>1</sup>	421		510	(89)	
Staffing Categories	CVULSD FTEs	CVULSD FTEs Per 100 Students	Peer FTEs Per 100 Students	Difference Per 100 Students	Total FTEs Above (Below) <sup>2</sup>
Administrative	5.0	1.2	1.1	0.1	0.4
Office/Clerical	4.0	1.0	0.8	0.2	0.8
General Education Teachers	23.5	5.6	5.5	0.1	0.4
All Other Teachers	5.5	1.3	1.1	0.2	0.8
Education Service Personnel (ESP)	3.5	0.8	1.1	(0.3)	(1.3)
Educational Support	2.1	0.5	0.4	0.1	0.4
Other Certificated	0.0	0.0	0.2	(0.2)	(0.8)
Non-Certificated Classroom Support	2.5	0.6	0.9	(0.3)	(1.3)
Operations	11.7	2.8	3.0	(0.2)	(0.8)
All Other Staff	0.0	0.0	0.3	(0.3)	(1.3)

Source: CVULSD provided data for FY 2013-14 and ODE provided data for Peers FY 2012-13

<sup>1</sup> Reflects students receiving educational services from the District and excludes the percent of time students are receiving educational services outside of the District.

<sup>2</sup> Represents the number of FTEs that, when added or subtracted, would bring CVULSD's number of employees per 100 students in line with the peer average.

As illustrated in **Table A1**, CVULSD employs fewer education service personnel, other certificated, non-certificated classroom support, operations and all other staff. The District employs more administrative, office/clerical, general education, all other teachers and education support personnel. Due to the function and classification of the positions, there were no

recommendations for staffing changes based on peer averages. However, due to the District’s projected deficit, general education teachers were assessed in relation to State minimum standards (see **R.1**).

**Table A2** gives a description of the staffing categories listed in **Table A1**

**Table A2: Staffing Descriptions**

Staff Classification	Description of Staff Included in Classification
Administrative	Central office and building level administrators, directors and coordinators, as well as personnel responsible for the planning, management, evaluation, and operation of the District.
Office/Clerical	All 500 position codes except 505 Teacher Aides plus Administrative Assistants (101) and Attendance Officers (901).
Teachers	General Education teaching assignment. It does not include ESP Teachers.
All Other Teachers	Career-Technical Programs/Pathways, Gifted and Talented, Limited English Proficiency teaching assignment, Special Education, Supplemental Service Teachers, Preschool Special Education, Preschool Handicapped Itinerant.
Education Service Personnel	K-8 Art, Music, and P.E. Teachers, Counselors, Librarians, Registered Nurses, Social Workers, and Visiting Teachers per ORC 3317.023(A)(2).
Educational Support	Remedial Specialists and Tutors/Small Group Instructors.
Other Certificated	Curriculum Specialists, Audio-Visual Staff, Permanent Substitutes, Teacher Mentor/Evaluator, and Other Education Professionals.
Non-Certificated Classroom Support	Teaching Aides, Paraprofessional Instructors, and Attendants.
All Other Staff	Psychologists, Therapists, Speech and Language Therapists, Practical Nurses, etc. Library Aides, Computer Support Staff, and all other professional and technical staff.

Source: ODE

*Salary*

CVULSD’s starting wages and step increases over a 30 year career were compared to the surrounding district average.<sup>4</sup> This was completed using negotiated salary schedules from FY 2013-14 employee collective bargaining agreements for CVULSD and the surrounding districts. The following positions were included in the comparison:

- Teacher (Master’s Degree);
- Custodian;
- Bus Driver; and
- Food Service Cook

**Teacher (Master’s degree):** CVULSD’s teachers with a master’s degree earn a salary lower than the peer average in the 1st year, mid-point (15yrs) and last year (30yrs). Specifically,

<sup>4</sup> The surrounding districts include: Brown Local (Carroll County), Garaway Local (Tuscarawas County), Newcomerstown Exempted Village (Tuscarawas County), Strasburg-Franklin Local (Tuscarawas County), and Tuscarawas Valley Local (Tuscarawas County).

teachers with a master’s degree earn 11.3 percent less than the peer average during a 30 year career.

**Custodian:** CVULSD’s custodians earn a salary lower than the peer average in the 1<sup>st</sup> year, mid-point (15 years) and last year (30 years). Specifically, custodians earn 24.7 percent less than the peer average during a 30 year career.

**Bus Drivers:** CVULSD’s bus drivers earn a salary higher than the peer average in the 1<sup>st</sup> year, mid-points (15 years) and last year (30 years). Specifically, bus drivers earn 2.4 percent more than the peer average during a 30 year career.

**Food Service Cooks:** CVULSD’s food service cooks earn a salary lower than the peer average in the 1<sup>st</sup> year, mid-point (15 years) and last year (30 years). Specifically, food service cooks earn 16.8 percent less than the peer average during a 30 year career.

*Health Insurance*

**Table A3** illustrates CVULSD’s contribution percentage toward its health and dental premiums compared to the SERB averages.

**Table A3: Employee Contribution Cost Savings**

Health Insurance						
Policy Type	# of Plans	Plan Cost	Employee Contribution	SERB Contribution	\$ Difference	Savings
Single (Classified)	2	\$331.2	1.5% (\$5.0)	11.1% (\$36.8)	\$31.8	\$763
Single (Certificated)	7	\$331.2	3.3% (\$11.0)	11.1% (\$36.8)	\$25.8	\$2,167
Family (Classified)	11	\$683.9	1.5% (\$10.0)	12.4% (\$84.8)	\$74.8	\$9,873
Family (Classified)	27	\$683.9	3.2% (\$22.0)	12.4% (\$84.8)	\$62.8	\$20,347
Dental Insurance						
Single	9	\$18.4	0.0% (\$0.0)	14.9% (\$2.7)	\$2.7	\$292
Family	38	\$60.9	0.0% (\$0.0)	15.1% (\$9.2)	\$9.2	\$4,195
<b>Total Savings</b>						<b>\$37,637</b>

Source: CVULSD and SERB 2013 Report

As shown in **Table A3**, employee contributions toward health and dental coverage fell short of the SERB averages. Negotiating an employee contribution to the benchmarks will provide the District with comparable contribution percentages as well as a recognized annual savings.

**Table A4** illustrates CVULSD’s severance payouts for FY 2013 compared to the ORC severance language.

**Table A4: Severance Payout**

Year	Classification	Daily Rate	Severance Days	CVULSD Severance	ORC Severance	Difference
FY 13	Certificated	\$277.8	58.5	\$16,251	\$8,334	\$7,917
FY 13	Certificated	\$258.8	59.0	\$15,269	\$7,764	\$7,505
FY 13	Certificated	\$258.8	52.1	\$13,483	\$7,764	\$5,719
FY 13	Certificated	\$230.2	41.0	\$9,438	\$6,906	\$2,532
<b>Severance Payout Savings</b>						<b>\$23,671</b>

Source: CVULSD

As shown in **Table A4**, by taking each employee's daily rate and multiplying it by 30 days (ORC severance language) rather than the current severance language, the District would have saved over \$23,600 in FY 2013.

### *Food Service*

The Food Service Department at CVULSD consists of three employees working a total of 16.5 labor hours per day. The District contracts with the East Central Ohio Educational Service Center for an amount of \$25,000 to provide management for the food service and transportation operations through FY 2013-14. All food service staff members, excluding the food service director, assist in the preparation and serving of meals. Prior to the building closure at the end of FY 2012-13, the District employed four food service employees who worked 24 daily labor hours, of which one of the cooks was awarded a supplemental contract to perform administrative duties for the department.

During FY 2012-13, the District served over 46,000 lunches and nearly 15,000 breakfasts. The District uses consortiums to ensure that it is receiving the best price for its food. Vendors are selected to ensure appliances and other materials are high quality and cost effective. Despite the District's efforts to remain cost effective, during FY 2012-13 the food service fund operated at a deficit of \$12,359. However, due to the building closure, a projected increase in federal subsidies, and decreased labor hours, the fund is projected to operate with a surplus of \$11,349 in FY 2013-14.

## Appendix C: Five-Year Forecast

### Forecast

**Table A5** presents the District's October 2013 five-year forecast. The Districts' five-year forecast is also available on the website:

<http://fyf.oecn.k12.oh.us/ViewForecast/district.asp?IRN=47548>

**Table A5: CVULSD October 2013 Five-Year Forecast**

Line	Actual	Forecasted				
	2013	2014	2015	2016	2017	2018
1.010 General Property (Real Estate)	1,614,303	1,632,274	1,640,206	1,397,683	1,153,884	1,208,805
1.020 Tangible Personal Property Tax	368,064	249,860	287,000	287,000	287,000	287,000
1.035 Unrestricted Grants-in-Aid	2,232,742	2,214,530	2,214,530	2,214,530	2,214,530	2,214,530
1.040 Restricted Grants-in-Aid	1,919	1,919	1,919	1,919	1,919	1,919
1.050 Property Tax Allocation	298,717	301,862	305,175	309,259	313,184	317,205
1.060 All Other Operating Revenue	389,828	327,375	327,375	327,375	327,375	327,375
1.070 Total Revenue	4,905,573	4,727,820	4,776,205	4,537,766	4,297,892	4,356,834
2.080 Total Revenues and Other Financing Sources	4,905,573	4,727,820	4,776,205	4,537,766	4,297,892	4,356,834
3.010 Personnel Services	2,213,515	2,043,510	2,084,380	2,109,467	2,133,416	2,159,016
3.020 Employees' Retirement/Insurance Benefits	1,196,220	1,056,789	1,106,789	1,157,442	1,208,360	1,259,146
3.030 Purchased Services	1,147,639	1,172,637	1,200,862	1,220,933	1,246,918	1,267,918
3.040 Supplies and Materials	135,269	139,996	145,046	150,096	155,146	160,196
3.050 Capital Outlay	1,715					
4.300 Other Objects	114,606	114,996	135,596	114,996	135,596	114,996
4.500 Total Expenditures	4,808,964	4,527,928	4,672,673	4,752,934	4,879,436	4,961,272
5.010 Operational Transfers - Out	20,000	10,000	10,000	10,000	10,000	10,000
5.040 Total Other Financing Uses	20,000	10,000	10,000	10,000	10,000	10,000
5.050 Total Expenditure and Other Financing Uses	4,828,964	4,537,928	4,682,673	4,762,934	4,889,436	4,971,272
6.010 Excess Rev & Oth Financing Sources over(under) Exp & Oth Financing	76,609	189,892	93,532	-225,168	-591,544	-614,438
7.010 Beginning Cash Balance	457,169	533,778	723,670	817,202	592,034	490
7.020 Ending Cash Balance	533,778	723,670	817,202	592,034	490	-613,948
11.020 Property Tax - Renewal or Replacement				263,258	526,516	518,743
11.300 Cumulative Balance of Replacement/Renewal Levies				263,258	789,774	1,308,517
12.010 Fund Bal June 30 for Cert of Contracts, Salary Sched, Oth Obligations	533,778	723,670	817,202	855,292	790,264	694,569

## **Client Response**

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The letter that follows is the District's official response to the performance audit. Throughout the audit process, staff met with District officials to ensure substantial agreement on the factual information presented in the report.



## Conotton Valley Union Local School District

21 Mound Street • P.O. Box 187  
Sherrodsville, OH 44675  
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[www.cvul.org](http://www.cvul.org)

February 28th, 2014

David Yost  
Auditor of the State  
88 East Broad Street, 5th Floor  
Columbus, OH 43215

Dear Auditor Yost:

Oh behalf of the Conotton Valley Union Local School District, we would like to thank the entire Performance Audit staff for their time and effort preparing the audit report for our district. Your staff was thorough and professional during all phases of the performance audit.

The local board of education was very pleased with the presentation by Mr. Justin M. Klingshirn. Additionally, the board of education and the administration are impressed with the "Noteworthy Accomplishments" spelled out in the performance audit. We also welcome the recommendations as they relate to current day operations. The recommendations for improvement identified in the performance audit will help guide the board of education and the district leadership to continue to improve district efficiencies. Many of the recommendations have already been implemented at this time.

It is the desire of Conotton Valley Union Local to continue to provide a better service to all students. We strive to operate efficiently and effectively without sacrificing the integrity of the educational process. Once again, thank you for your efforts in preparing and presenting this valuable data to the school district.

Sincerely,

Adam M. Pittis  
Superintendent

CC: C.V.U.L.S.D. Board of Education  
Debra Henry, Treasurer

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**Conotton Valley High School**  
7205 Cumberland Road SW  
Bowerston, OH 44695  
(740) 269-2711

**Conotton Valley Elementary**  
600 Main Street  
Bowerston, OH 44695  
(740) 269-2141



# Dave Yost • Auditor of State

CONOTTON VALLEY UNION LOCAL SCHOOL DISTRICT

HARRISON 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, 2014