



**VINTON COUNTY LOCAL SCHOOL DISTRICT  
VINTON COUNTY**

**SINGLE AUDIT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



VINTON COUNTY LOCAL SCHOOL DISTRICT  
VINTON COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

Vinton County Local School District  
Vinton County  
307 West High Street  
McArthur, Ohio 45651

To the Board of Education:

We have audited the accompanying general purpose financial statements of the Vinton County Local School District, Vinton County, Ohio (the School District), as of and for the year ended June 30, 2000, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Vinton County Local School District, Vinton County, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2001, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

**Jim Petro**  
Auditor of State

April 19, 2001

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**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Combined Balance Sheet**  
**All Fund Types and Account Groups**  
**June 30, 2000**

	<b>GOVERNMENTAL FUND TYPES</b>			
	General	Special Revenue	Debt Service	Capital Projects
<b><u>Assets and Other Debits:</u></b>				
<b><u>Assets:</u></b>				
Cash and Cash Equivalents	\$2,532,252	\$908,605	\$195,987	\$5,238,846
Investments	1,396,411	0	0	0
<b><u>Receivables:</u></b>				
Taxes	3,274,042	69,858	450,201	232,555
Accounts	5,527	0	0	0
Intergovernmental	118,257	0	0	0
Interfund	196,820	0	0	0
Accrued Interest	28,973	0	0	5,247
Inventory Held for Resale	0	0	0	0
Prepaid Items	9,349	0	0	0
<b><u>Restricted Assets:</u></b>				
Cash and Cash Equivalents	532,680	0	0	0
Fixed Assets (Net of Accumulated Depreciation)	0	0	0	0
<b><u>Other Debits:</u></b>				
Amount Available in Debt Service Fund for				
Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from				
General Government Resources	0	0	0	0
<b>Total Assets and Other Debits</b>	<b><u>\$8,094,311</u></b>	<b><u>\$978,463</u></b>	<b><u>\$646,188</u></b>	<b><u>\$5,476,648</u></b>
<b><u>Liabilities, Fund Equity and Other Credits:</u></b>				
<b><u>Liabilities:</u></b>				
Accounts Payable	\$42,858	\$17,974	\$0	\$0
Contracts Payable	0	0	0	870,927
Retainage Payable	0	0	0	246,163
Accrued Wages and Benefits Payable	1,025,158	208,306	0	0
Compensated Absences Payable	0	0	0	0
Intergovernmental Payable	295,415	36,643	0	0
Interfund Payable	0	141,558	0	55,262
Deferred Revenue	3,274,042	69,858	450,201	232,555
Due to Students	0	0	0	0
Claims Payable	0	0	0	0
Capital Leases Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
<b>Total Liabilities</b>	<b><u>4,637,473</u></b>	<b><u>474,339</u></b>	<b><u>450,201</u></b>	<b><u>1,404,907</u></b>
<b><u>Fund Equity and Other Credits:</u></b>				
Investment in General Fixed Assets	0	0	0	0
<b><u>Retained Earnings:</u></b>				
Unreserved	0	0	0	0
<b><u>Fund Balance:</u></b>				
Reserved for Encumbrances	171,623	206,383	0	302,982
Reserved for Statutory Set-Asides	524,636	0	0	0
<b><u>Unreserved:</u></b>				
Undesignated	2,760,579	297,741	195,987	3,768,759
<b>Total Fund Equity and Other Credits</b>	<b><u>3,456,838</u></b>	<b><u>504,124</u></b>	<b><u>195,987</u></b>	<b><u>4,071,741</u></b>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b><u>\$8,094,311</u></b>	<b><u>\$978,463</u></b>	<b><u>\$646,188</u></b>	<b><u>\$5,476,648</u></b>

See accompanying notes to the general purpose financial statements.



<i><b>PROPRIETARY FUND TYPES</b></i>		<i><b>FIDUCIARY FUND TYPES</b></i>	<i><b>ACCOUNT GROUPS</b></i>		Totals (Memorandum Only)
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
\$124,543	\$395,535	\$41,581	\$0	\$0	\$9,437,349
0	0	0	0	0	1,396,411
0	0	0	0	0	4,026,656
0	0	0	0	0	5,527
0	0	0	0	0	118,257
0	0	0	0	0	196,820
0	0	0	0	0	34,220
6,969	0	0	0	0	6,969
0	0	0	0	0	9,349
0	0	0	0	0	532,680
61,549	2,966	0	20,431,080	0	20,495,595
0	0	0	0	195,987	195,987
0	0	0	0	5,112,087	5,112,087
<u>\$193,061</u>	<u>\$398,501</u>	<u>\$41,581</u>	<u>\$20,431,080</u>	<u>\$5,308,074</u>	<u>\$41,567,907</u>
\$0	\$0	\$0	\$0	\$0	\$60,832
0	0	0	0	0	870,927
0	0	0	0	0	246,163
50,993	0	0	0	0	1,284,457
7,583	0	0	0	410,138	417,721
15,362	0	0	0	110,167	457,587
0	0	0	0	0	196,820
4,286	0	0	0	0	4,030,942
0	0	41,581	0	0	41,581
0	68,875	0	0	0	68,875
0	0	0	0	57,769	57,769
0	0	0	0	4,730,000	4,730,000
<u>78,224</u>	<u>68,875</u>	<u>41,581</u>	<u>0</u>	<u>5,308,074</u>	<u>12,463,674</u>
0	0	0	20,431,080	0	20,431,080
114,837	329,626	0	0	0	444,463
0	0	0	0	0	680,988
0	0	0	0	0	524,636
0	0	0	0	0	7,023,066
<u>114,837</u>	<u>329,626</u>	<u>0</u>	<u>20,431,080</u>	<u>0</u>	<u>29,104,233</u>
<u>\$193,061</u>	<u>\$398,501</u>	<u>\$41,581</u>	<u>\$20,431,080</u>	<u>\$5,308,074</u>	<u>\$41,567,907</u>

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**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Combined Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**All Governmental Fund Types and Expendable Trust Fund**  
**For the Fiscal Year Ended June 30, 2000**

	<b>GOVERNMENTAL FUND TYPES</b>					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
<b><u>Revenues:</u></b>						
Taxes	\$2,483,827	\$57,295	\$368,507	\$176,037	\$0	\$3,085,666
Intergovernmental	8,995,340	2,545,509	44,742	9,482,607	0	21,068,198
Interest	358,110	0	0	211,119	0	569,229
Tuition and Fees	73,786	0	0	0	0	73,786
Rent	160	0	0	0	0	160
Extracurricular Activities	0	194,479	0	0	0	194,479
Gifts and Donations	0	9,586	0	0	0	9,586
Customer Services	750	0	0	0	0	750
Miscellaneous	227,537	75,055	0	8,342	0	310,934
<b>Total Revenues</b>	<b>12,139,510</b>	<b>2,881,924</b>	<b>413,249</b>	<b>9,878,105</b>	<b>0</b>	<b>25,312,788</b>
<b><u>Expenditures:</u></b>						
<b>Current:</b>						
<b>Instruction:</b>						
Regular	4,920,014	1,090,668	0	0	0	6,010,682
Special	1,208,413	504,327	0	0	0	1,712,740
Vocational	215,697	0	0	0	0	215,697
Other	34,049	450	0	0	0	34,499
<b>Support Services:</b>						
Pupils	420,861	165,984	0	0	0	586,845
Instructional Staff	544,015	341,016	0	0	754	885,785
Board of Education	283,785	2,771	17,532	0	0	304,088
Administration	1,071,787	246,440	0	0	0	1,318,227
Fiscal	190,565	57	0	0	0	190,622
Operation and Maintenance of Plant	1,000,831	0	0	0	72	1,000,903
Pupil Transportation	1,126,402	27,297	0	0	0	1,153,699
Central	250	0	0	0	0	250
Extracurricular Activities	95,527	52,244	0	0	0	147,771
Capital Outlay	953	290,427	0	10,342,983	0	10,634,363
<b>Debt Service:</b>						
Principal Retirement	15,016	0	304,333	0	0	319,349
Interest and Fiscal Charges	9,896	0	244,382	0	0	254,278
<b>Total Expenditures</b>	<b>11,138,061</b>	<b>2,721,681</b>	<b>566,247</b>	<b>10,342,983</b>	<b>826</b>	<b>24,769,798</b>
Excess of Revenues Over (Under) Expenditures	1,001,449	160,243	(152,998)	(464,878)	(826)	542,990
<b><u>Other Financing Sources (Uses):</u></b>						
Operating Transfers In	0	0	183,747	216,859	0	400,606
Inception of Capital Leases	59,329	0	0	0	0	59,329
Operating Transfers Out	(404,675)	0	0	0	0	(404,675)
Proceeds From Sale of Fixed Assets	31,313	0	0	0	0	31,313
<b>Total Other Financing Sources (Uses)</b>	<b>(314,033)</b>	<b>0</b>	<b>183,747</b>	<b>216,859</b>	<b>0</b>	<b>86,573</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	687,416	160,243	30,749	(248,019)	(826)	629,563
Fund Balances (Deficit) at Beginning of Year	2,769,422	343,881	165,238	4,319,760	826	7,599,127
Fund Balances (Deficit) at End of Year	<u>\$3,456,838</u>	<u>\$504,124</u>	<u>\$195,987</u>	<u>\$4,071,741</u>	<u>\$0</u>	<u>\$8,228,690</u>

See accompanying notes to the general purpose financial statements.

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Combined Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual (Budget Basis)**  
**All Governmental Fund Types and Expendable Trust Fund**  
**For the Fiscal Year Ended June 30, 2000**

	<b>GENERAL FUND</b>		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b><u>Revenues:</u></b>			
Taxes	\$3,169,074	\$2,881,537	(\$287,537)
Intergovernmental	0	8,991,713	8,991,713
Interest	0	342,618	342,618
Tuition and Fees	0	73,914	73,914
Rent	0	160	160
Extracurricular Activities	0	0	0
Gifts and Donations	0	0	0
Customer Services	0	750	750
Miscellaneous	8,254,773	52,167	(8,202,606)
<b>Total Revenues</b>	<b>11,423,847</b>	<b>12,342,859</b>	<b>919,012</b>
<b><u>Expenditures:</u></b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	4,924,680	4,775,993	148,687
Special	1,221,700	1,185,211	36,489
Vocational	211,869	209,233	2,636
Other	80,000	34,049	45,951
<b>Support Services:</b>			
Pupils	434,491	405,071	29,420
Instructional Staff	602,706	553,709	48,997
Board of Education	330,335	300,690	29,645
Administration	1,066,726	1,029,989	36,737
Fiscal	204,019	189,615	14,404
Operation and Maintenance of Plant	1,095,143	1,037,275	57,868
Pupil Transportation	1,181,912	1,115,138	66,774
Central	975	250	725
Extracurricular Activities	96,910	95,527	1,383
Capital Outlay	10,000	1,495	8,505
<b>Debt Service:</b>			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<b>Total Expenditures</b>	<b>11,461,466</b>	<b>10,933,245</b>	<b>528,221</b>
Excess of Revenues Over (Under) Expenditures	(37,619)	1,409,614	1,447,233
<b><u>Other Financing Sources (Uses):</u></b>			
Operating Transfers In	0	392,396	392,396
Proceeds From Sale of Fixed Assets	0	31,313	31,313
Refund of Prior Year Expenditures	0	5,125	5,125
Advances In	0	5,996	5,996
Other Financing Sources	0	172,117	172,117
Operating Transfers Out	(1,119,258)	(797,071)	322,187
Advances Out	(157,807)	(157,807)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(1,277,065)</b>	<b>(347,931)</b>	<b>929,134</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,314,684)	1,061,683	2,376,367
Fund Balances at Beginning of Year	3,070,922	3,070,922	0
Prior Year Encumbrances Appropriated	115,282	115,282	0
<b>Fund Balances at End of Year</b>	<b>\$1,871,520</b>	<b>\$4,247,887</b>	<b>\$2,376,367</b>

See accompanying notes to the general purpose financial statements.

**GOVERNMENTAL FUND TYPES**

<b>SPECIAL REVENUE FUNDS</b>			<b>DEBT SERVICE FUND</b>		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$61,423	\$61,423	\$393,124	\$395,784	\$2,660
0	2,545,509	2,545,509	0	44,742	44,742
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	194,479	194,479	0	0	0
0	9,586	9,586	0	0	0
0	0	0	0	0	0
2,214,709	848	(2,213,861)	5,024,760	0	(5,024,760)
<u>2,214,709</u>	<u>2,811,845</u>	<u>597,136</u>	<u>5,417,884</u>	<u>440,526</u>	<u>(4,977,358)</u>
1,445,272	1,103,487	341,785	0	0	0
747,858	508,443	239,415	0	0	0
0	0	0	0	0	0
1,843	493	1,350	0	0	0
318,749	228,893	89,856	0	0	0
418,724	350,596	68,128	408	0	408
2,775	2,771	4	17,535	17,532	3
458,746	256,557	202,189	0	0	0
57	57	0	0	0	0
0	0	0	0	0	0
30,969	24,091	6,878	0	0	0
50	0	50	0	0	0
96,605	77,847	18,758	0	0	0
316,827	316,827	0	0	0	0
0	0	0	304,333	304,333	0
0	0	0	418,714	244,382	174,332
<u>3,838,475</u>	<u>2,870,062</u>	<u>968,413</u>	<u>740,990</u>	<u>566,247</u>	<u>174,743</u>
(1,623,766)	(58,217)	1,565,549	4,676,894	(125,721)	(4,802,615)
0	0	0	0	183,747	183,747
0	0	0	0	0	0
0	0	0	0	0	0
0	141,558	141,558	0	0	0
0	74,208	74,208	0	0	0
0	0	0	0	0	0
(5,996)	(5,996)	0	0	0	0
<u>(5,996)</u>	<u>209,770</u>	<u>215,766</u>	<u>0</u>	<u>183,747</u>	<u>183,747</u>
(1,629,762)	151,553	1,781,315	4,676,894	58,026	(4,618,868)
385,796	385,796	0	137,961	137,961	0
146,450	146,450	0	0	0	0
<u>(\$1,097,516)</u>	<u>\$683,799</u>	<u>\$1,781,315</u>	<u>\$4,814,855</u>	<u>\$195,987</u>	<u>(\$4,618,868)</u>

(Continued)

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Combined Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual (Budget Basis)**  
**All Governmental Fund Types and Expendable Trust Fund**  
**For the Fiscal Year Ended June 30, 2000**

	<b>CAPITAL PROJECTS FUNDS</b>		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b><u>Revenues:</u></b>			
Taxes	\$452,188	\$204,417	(\$247,771)
Intergovernmental	0	9,482,607	9,482,607
Interest	0	217,709	217,709
Tuition and Fees	0	0	0
Rent	0	0	0
Extracurricular Activities	0	0	0
Gifts and Donations	0	0	0
Customer Services	0	0	0
Miscellaneous	2,929,466	0	(2,929,466)
<b>Total Revenues</b>	<b>3,381,654</b>	<b>9,904,733</b>	<b>6,523,079</b>
<b><u>Expenditures:</u></b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	0	0	0
Special	0	0	0
Vocational	0	0	0
Other	0	0	0
<b>Support Services:</b>			
Pupils	0	0	0
Instructional Staff	0	0	0
Board of Education	0	0	0
Administration	0	0	0
Fiscal	0	0	0
Operation and Maintenance of Plant	0	0	0
Pupil Transportation	0	0	0
Central	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	11,964,751	10,174,230	1,790,521
<b>Debt Service:</b>			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<b>Total Expenditures</b>	<b>11,964,751</b>	<b>10,174,230</b>	<b>1,790,521</b>
Excess of Revenues Over (Under) Expenditures	(8,583,097)	(269,497)	8,313,600
<b><u>Other Financing Sources (Uses):</u></b>			
Operating Transfers In	0	216,859	216,859
Proceeds From Sale of Fixed Assets	0	0	0
Refund of Prior Year Expenditures	0	8,342	8,342
Advances In	0	16,249	16,249
Other Financing Sources	0	0	0
Operating Transfers Out	0	0	0
Advances Out	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>241,450</b>	<b>241,450</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(8,583,097)	(28,047)	8,555,050
Fund Balances at Beginning of Year	4,808,324	4,808,324	0
Prior Year Encumbrances Appropriated	155,589	155,589	0
Fund Balances at End of Year	(\$3,619,184)	\$4,935,866	\$8,555,050

See accompanying notes to the general purpose financial statements.

<i>EXPENDABLE TRUST FUND</i>			<i>TOTALS (MEMORANDUM ONLY)</i>		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$4,014,386	\$3,543,161	(\$471,225)
0	0	0	0	21,064,571	21,064,571
0	0	0	0	560,327	560,327
0	0	0	0	73,914	73,914
0	0	0	0	160	160
0	0	0	0	194,479	194,479
0	0	0	0	9,586	9,586
0	0	0	0	750	750
435	0	(435)	18,424,143	53,015	(18,371,128)
435	0	(435)	22,438,529	25,499,963	3,061,434
0	0	0	6,369,952	5,879,480	490,472
0	0	0	1,969,558	1,693,654	275,904
0	0	0	211,869	209,233	2,636
0	0	0	81,843	34,542	47,301
0	0	0	753,240	633,964	119,276
1,354	754	600	1,023,192	905,059	118,133
0	0	0	350,645	320,993	29,652
0	0	0	1,525,472	1,286,546	238,926
0	0	0	204,076	189,672	14,404
72	72	0	1,095,215	1,037,347	57,868
0	0	0	1,212,881	1,139,229	73,652
0	0	0	1,025	250	775
0	0	0	193,515	173,374	20,141
0	0	0	12,291,578	10,492,552	1,799,026
0	0	0	304,333	304,333	0
0	0	0	418,714	244,382	174,332
1,426	826	600	28,007,108	24,544,610	3,462,498
(991)	(826)	165	(5,568,579)	955,353	6,523,932
0	0	0	0	793,002	793,002
0	0	0	0	31,313	31,313
0	0	0	0	13,467	13,467
0	0	0	0	163,803	163,803
0	0	0	0	246,325	246,325
0	0	0	(1,119,258)	(797,071)	322,187
0	0	0	(163,803)	(163,803)	0
0	0	0	(1,283,061)	287,036	1,570,097
(991)	(826)	165	(6,851,640)	1,242,389	8,094,029
826	826	0	8,403,829	8,403,829	0
0	0	0	417,321	417,321	0
(\$165)	\$0	\$165	\$1,969,510	\$10,063,539	\$8,094,029

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Combined Statement of Revenues,**  
**Expenses and Changes in Retained Earnings**  
**Proprietary Fund Types**  
**For the Fiscal Year Ended June 30, 2000**

	Enterprise	Internal Service	Totals (Memorandum Only)
<b><u>Operating Revenues:</u></b>			
Sales	\$158,289	\$0	\$158,289
Charges for Services	0	1,339,070	1,339,070
Other Operating Revenues	0	93,502	93,502
<i>Total Operating Revenues</i>	<u>158,289</u>	<u>1,432,572</u>	<u>1,590,861</u>
<b><u>Operating Expenses:</u></b>			
Salaries	218,549	0	218,549
Fringe Benefits	116,917	0	116,917
Purchased Services	6,837	219,836	226,673
Materials and Supplies	46,637	0	46,637
Cost of Sales	252,573	0	252,573
Depreciation	5,875	396	6,271
Claims	0	1,067,218	1,067,218
Other Operating Expenses	1,292	749	2,041
<i>Total Operating Expenses</i>	<u>648,680</u>	<u>1,288,199</u>	<u>1,936,879</u>
Operating Income (Loss)	(490,391)	144,373	(346,018)
<b><u>Nonoperating Revenues (Expenses):</u></b>			
Federal Donated Commodities	50,929	0	50,929
Interest Income	0	120	120
Other Nonoperating Revenues	210	0	210
Federal and State Subsidies	392,733	0	392,733
<i>Total Nonoperating Revenues (Expenses)</i>	<u>443,872</u>	<u>120</u>	<u>443,992</u>
Income (Loss) Before Operating Transfers	(46,519)	144,493	97,974
Operating Transfers-In	4,069	0	4,069
Net Income (Loss)	(42,450)	144,493	102,043
Retained Earnings at Beginning of Year	<u>157,287</u>	<u>185,133</u>	<u>342,420</u>
Retained Earnings at End of Year	<u>\$114,837</u>	<u>\$329,626</u>	<u>\$444,463</u>

See accompanying notes to the general purpose financial statements.



**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Combined Statement of Cash Flows**  
**Proprietary Fund Types**  
**For the Fiscal Year Ended June 30, 2000**

	Enterprise	Internal Service	Totals (Memorandum Only)
<b><u>Increase (Decrease) in Cash and Cash Equivalents:</u></b>			
<b><u>Cash Flows from Operating Activities:</u></b>			
Cash Received from Sales	\$158,289	\$0	\$158,289
Cash Received from Quasi-External Transactions with Other Funds	0	1,339,070	1,339,070
Cash Payments for Employees Services and Benefits	(313,482)	0	(313,482)
Cash Payments to Suppliers for Goods and Services	(255,284)	(219,836)	(475,120)
Cash Payments for Claims	0	(1,067,570)	(1,067,570)
Other Operating Revenues	0	93,502	93,502
Other Operating Expenses	(1,080)	(749)	(1,829)
<i>Net Cash from Operating Activities</i>	<u>(411,557)</u>	<u>144,417</u>	<u>(267,140)</u>
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>			
Operating Grants Received	444,461	0	444,461
Cash Received from Other Sources	210	0	210
Transfers-In from Other Funds	4,069	0	4,069
<i>Net Cash from Noncapital Financing Activities</i>	<u>448,740</u>	<u>0</u>	<u>448,740</u>
<b><u>Cash Flows from Investing Activities:</u></b>			
Interest Received on Investments	0	120	120
<i>Net Cash from Investing Activities</i>	<u>0</u>	<u>120</u>	<u>120</u>
Net Increase (Decrease) in Cash and Cash Equivalents	37,183	144,537	181,720
Cash and Cash Equivalents at Beginning of Year	87,360	250,998	338,358
Cash and Cash Equivalents at End of Year	<u>\$124,543</u>	<u>\$395,535</u>	<u>\$520,078</u>
<b><u>Reconciliation of Operating Income (Loss)</u></b>			
<b><u>to Net Cash from Operating Activities:</u></b>			
Operating Income (Loss)	(\$490,391)	\$144,373	(\$346,018)
<b><u>Adjustments to Reconcile Operating Income (Loss)</u></b>			
<b><u>to Net Cash from Operating Activities:</u></b>			
Depreciation	5,875	396	6,271
Donated Commodities Used During Year	50,929	0	50,929
<b><u>Changes in Assets and Liabilities:</u></b>			
(Increase) Decrease in Inventory Held for Resale	3,055	0	3,055
Increase (Decrease) in Accrued Wages and Benefits Payable	23,858	0	23,858
Increase (Decrease) in Intergovernmental Payable	941	0	941
Increase (Decrease) in Compensated Absences Payable	(2,816)	0	(2,816)
Increase (Decrease) in Deferred Revenue	(3,008)	0	(3,008)
Increase (Decrease) in Claims Payable	0	(352)	(352)
Total Adjustments	<u>78,834</u>	<u>44</u>	<u>78,878</u>
Net Cash from Operating Activities	<u>(\$411,557)</u>	<u>\$144,417</u>	<u>(\$267,140)</u>

See accompanying notes to the general purpose financial statements.

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**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

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

**Description of the School District**

Vinton County Local School District (the "District") is organized under Article VI, Section 2 and 3 of the Constitution of the State of Ohio. The District provides educational services as authorized by State statute and/or federal guidelines. The District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The Board controls the District's seven (7) instructional support facilities staffed by 102 non-certificated, 182 teaching personnel, and 11 administrative employees providing education to approximately 2,461 students.

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources.

**Reporting Entity**

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

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

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

- Parent Teacher Organization
- Booster Club

The District is associated with four organizations, three of which are defined as jointly governed organizations, and one is a group purchasing pool. These organizations are the South Central Ohio Computer Association, the Gallia-Jackson-Vinton Joint Vocational School District, the Gallia-Vinton Educational Service Center, and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 18 and 19 to the general purpose financial statements.

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

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

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

**Basis of Presentation - Fund-Accounting**

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

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

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

**Governmental Fund Types:**

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

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

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

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

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

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

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

**Proprietary Fund Types:**

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

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

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

**Fiduciary Fund Types:**

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

**Expendable Trust Fund** - The expendable trust fund accounts for the resources, including both principal and earnings which must be expended according to the provisions of a trust agreement. The expendable trust fund is accounted for in essentially the same manner as governmental funds.

**Agency Funds** - These funds are custodial in nature (assets equal liabilities) and thus do not involve measurement of results of operations.

**Account Groups:**

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

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

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

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

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

**Measurement Focus and Basis of Accounting**

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

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

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

The modified accrual basis of accounting is followed for governmental, expendable trust, and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the District is sixty days after year end.

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

The District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2000 and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2001 operations, have been recorded as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year, and the costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. There were no unbilled service charges receivable at year end. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

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

**Budgetary Data**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each function. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

**Tax Budget:** Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Vinton County Budget Commission for rate determination.

**Estimated Resources:** Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which state the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2000.

**Appropriations:** Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation resolution, the Board may pass a temporary appropriation resolution to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, three supplemental appropriations were legally enacted. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions.

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

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

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

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

**Cash and Investments**

To improve cash management, all cash received by the District is pooled in a central bank account. Monies for all funds, including proprietary funds are maintained in this account or temporarily used to purchase short term investments. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Cash and Cash Equivalents" on the combined balance sheet. During fiscal year 2000, the District's investments were limited to STAROhio, certificates of deposit, treasury notes, and discount notes.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

Except for investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at fair value which is based on quoted market prices. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2000. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2000.

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



**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

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

**Inventory**

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserved in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. The District had no material and supplies in the governmental funds as of June 30, 2000. Inventories of proprietary funds consist of donated food, purchased food, lunchroom supplies, and school supplies held for resale and are expended when used.

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2000 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**Restricted Assets**

Restricted assets in the General Fund represent cash and cash equivalents set aside to establish textbook, capital improvement, and budget stabilization reserves. The textbook and capital improvement reserves are required by State statute and can only be used for expenditures designated by State statute. The budget stabilization reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. A fund balance reserve has also been established.

**Fixed Assets and Depreciation**

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

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

Assets in the General Fixed Assets Account Group are depreciated using the straight-line method over an estimated useful life of 50 years for buildings, 20 years for improvements other than buildings, 6 to 15 years for furniture, equipment and fixtures, and 5 to 10 years for vehicles. Depreciation of furniture and equipment, the only proprietary fund type fixed asset classification, is computed using the straight-line method over an estimated useful life of 15 years.

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

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

**Intergovernmental Revenues**

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as nonoperating revenues in the accounting period in which they are earned and become measurable.

The District currently participates in several State and Federal programs, categorized as follows:

**Entitlements**

**General Fund**

State Foundation Program

State Property Tax Relief

**Non-Reimbursable Grants**

**Special Revenue Funds**

Disadvantaged Pupil Impact Aid

Education Management Information Systems

Public School Preschool

Dwight D. Eisenhower Professional Development

Reading Improvement Grant

Title I

Title VI

Title VI-B

Title VI-R

Chapter II

Drug Free Schools Program

Professional Development

Goals 2000 Intervention

Ohio Reads

FEMA

School to Work

Dental Sealant

ARSI - Math and Science

Proficiency Intervention

**Capital Projects Funds**

School Net

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

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

**Reimbursable Grants**

**General Fund**

School Bus Purchase Reimbursement

Driver Education Reimbursement

**Enterprise Funds**

National School Lunch Program

National School Breakfast Program

Government Donated Commodities

Grant and entitlements amounted to approximately seventy-eight percent of the District's revenue during the 2000 fiscal year.

**Interfund Assets/Liabilities**

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the combined balance sheet. Short-term interfund loans are classified as "interfund receivables" and "interfund payables".

**Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributed to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at June 30 by those employees who are eligible to receive termination payments and by those employees for whom it is probable will become eligible to receive termination benefits in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the District's termination policy.

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

**Accrued Liabilities and Long-Term Obligations**

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

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

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

**Interfund Transactions**

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

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

**Fund Balance Reserves**

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available spendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that a portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances and statutory set-asides. The reserve for statutory set-asides represents the amounts that have been set aside to meet the requirements of House Bill No. 412.

**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.

**Total Columns on General Purpose Financial Statements**

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

**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING**

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING** (Continued)

3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP Basis).

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

Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources All Governmental Fund Types and Expendable Trust Fund					
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
GAAP Basis	\$687,416	\$160,243	\$30,749	(\$248,019)	(\$826)
<i>Adjustments:</i>					
Revenue Accruals	203,349	(70,079)	27,277	26,628	0
Expenditure Accruals	204,816	(148,381)	0	168,753	0
Other Financing Sources/Uses	(33,898)	209,770	0	24,591	0
Budget Basis	\$1,061,683	\$151,553	\$58,026	(\$28,047)	(\$826)

**NOTE 4 - ACCOUNTABILITY AND COMPLIANCE**

**Fund Deficits**

Fund balances at June 30, 2000, included the following individual fund deficits:

<i>Special Revenue Funds:</i>	
DPIA	\$177,601
Title I Grant	\$5,905
 <i>Capital Project Fund:</i>	
Emergency Building Repair	\$55,262

The deficits in these funds are the result of applying generally accepted accounting principles and the requirement to accrue liabilities when incurred. These deficits do not exist on the cash basis. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

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**NOTE 4 - ACCOUNTABILITY AND COMPLIANCE** - (Continued)

**Compliance**

The following funds and accounts had expenditures plus encumbrances in excess of appropriations at year end, contrary to Section 5705.41, Ohio Revised Code:

*Special Revenue Funds:*

Chapter II Grant	
Instruction - Regular	\$15
Drug Free Grant	
Instruction - Regular	\$51

**NOTE 5 - CASH, DEPOSITS AND INVESTMENTS**

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

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

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

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

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

Interim monies may be deposited or invested in the following securities:

- (1) United States treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
- (2) Bonds, Notes, Debentures, or any other obligations or securities issued by any federal government or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

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**NOTE 5 - CASH, DEPOSITS AND INVESTMENTS** - (Continued)

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

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

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

**Deposits:** At year-end, the carrying amount of the District's deposits was \$1,394,783, and the bank balance was \$2,523,633. Of the bank balance, \$500,000 was covered by federal depository insurance. The remaining amounts were protected by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal 110 percent of public funds on deposit. Although the securities serving as collateral were held by the pledging financial institutions' trust department in the District's name and all State statutory requirements for the investments of money had been followed, noncompliance with federal requirements would potentially subject the money to a successful claim by the Federal Deposit Insurance Corporation.

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

**NOTE 5 - CASH, DEPOSITS AND INVESTMENTS** - (Continued)

**Investments:** The District's investments are required to be categorized to give an indication of the level of risk assumed by the District at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the District's name. STAROhio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Category 3	Carrying Amount	Market Value
Discount Notes	\$1,396,411	\$1,396,411	\$1,396,411
STAROhio		8,575,246	8,575,246
Total Investments		\$9,971,657	\$9,971,657

The classification of cash and cash equivalents on the combined balance sheet is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting". A reconciliation between the classifications of cash and cash equivalents and investments on the combined balance sheet and the classification of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$9,970,029	\$1,396,411
<i>Investments:</i>		
STAROhio	(8,575,246)	8,575,246
GASB Statement No. 3	\$1,394,783	\$9,971,657

**NOTE 6 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31, of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31. Tangible personal property assessments are 25 percent of true value.



**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

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

Real property taxes are paid by taxpayers annually or semi-annually. If paid annually, payment is due December 31, unless extended; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20, unless extended. Under certain circumstances, State statute permits earlier or later payment dates to be established.

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

The District receives property taxes from Vinton, Gallia, Jackson and Hocking Counties. The County Auditors periodically advance to the District their portion of the taxes collected. Second-half real property tax payments collected by each county by June 30, 2000 are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2000 is reported as fund balance - reserved for property taxes. There were no amounts available as an advance at June 30, 2000.

The assessed values upon which the fiscal year 2000 taxes were collected are:

	1999 Second- Half Collections		2000 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$85,560,110	69.43%	\$85,560,110	69.43%
Public Utility Personal	24,393,580	19.79%	24,393,580	19.79%
Tangible Personal Property	13,280,405	10.78%	13,280,405	10.78%
Total Assessed Value	<u>\$123,234,095</u>	<u>100.00%</u>	<u>\$123,234,095</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation		\$26.52		\$22.52

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2000 consisted of taxes, accounts (rent and student fees) and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

<i>General Fund:</i>	
State Income Tax	\$103,541
Medicaid	13,870
Miscellaneous	846
Total General Fund	\$118,257

**NOTE 8 - FIXED ASSETS**

A summary of the proprietary funds' fixed assets at June 30, 2000 follows:

	Enterprise	Internal Service
Furniture and Equipment	\$233,633	\$3,952
Less: Accumulated Depreciation	(172,084)	(986)
Net Fixed Assets	\$61,549	\$2,966

A summary of the changes in general fixed assets during fiscal year 2000 follows:

Asset Category	Balance at June 30, 1999	Additions	Deletions	Balance at June 30, 2000
Land	\$439,927	\$0	\$0	\$439,927
Buildings and Improvements	3,305,051	282,021	0	3,587,072
Furniture and Equipment	3,142,471	552,171	0	3,694,642
Vehicles	2,003,289	0	0	2,003,289
Infrastructure	19,432	0	0	19,432
Construction in Progress	3,955,486	9,080,167	0	13,035,653
Totals	\$12,865,656	\$9,914,359	\$0	22,780,015
Less: Accumulated Depreciation				(2,348,935)
Net Fixed Assets				\$20,431,080

At June 30, 2000, net fixed assets include \$56,977 of equipment under capitalized leases.

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

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**NOTE 9 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2000, the District contracted with various commercial carriers for property and fleet insurance, liability insurance, inland marine coverage, and public official bonds. Coverages provided are as follows:

Building and Contents - replacement cost (\$100 deductible)	\$22,931,800
Builder's Risk (\$1,000 deductible)	\$13,500,000
Inland Marine Coverage (\$250 deductible)	\$2,500,000
Musical Instruments (\$100 deductible)	\$70,938
Automobile Liability (\$100 deductible):	
Per Person	\$1,000,000
Per Accident	\$3,000,000
Uninsured Motorists (\$100 deductible):	
Per Person	\$1,000,000
Per Accident	\$1,000,000
General Liability:	
Per Occurrence	\$1,000,000
Total Per Year	\$5,000,000
Public Official Bonds:	
Treasurer	\$10,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant change in coverage from last year except for the change to Uninsured Motorists.

For fiscal year 2000, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (the "Plan"), an insurance purchasing pool (Note 19). The intent of the Plan is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the Plan. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the Plan. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the Plan. Participation in the Plan is limited to school districts that can meet the Plan's selection criteria. The firm Gates McDonald & Co. provides administrative, cost control and actuarial services to the Plan.

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

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

Health insurance is offered to employees through a self-insurance internal service fund. Professional Risk Management is the District's third party administrator who informs the District of claim payments needed each week. Professional Risk Management provides an actuarial study each year and advises the District as to any change needed in premium payments to the Internal Service Fund. The claims liability of \$68,875 reported in the Internal Service Fund at June 30, 2000 is based on an estimate provided by Professional Risk Management and the requirements of *GASB Statement No. 10*, which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported.

Changes in claims activity for the past two fiscal years are as follows:

Fiscal Year	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
1999	\$98,434	\$1,034,432	\$1,063,639	\$69,227
2000	\$69,227	\$1,067,218	\$1,067,570	\$68,875

**NOTE 10 - DEFINED BENEFIT PENSION PLANS**

**School Employees Retirement System**

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute, Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215 or by calling (614) 222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. For fiscal year 2000, 9.02 percent was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$240,210, \$242,153, and \$260,001, respectively; 59.63 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$96,978 representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds and the General Long-Term Obligations Account Group.

**State Teachers Retirement System**

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries.

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

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

Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Prior to July 1, 1998, the portion used to fund pension obligations was 10.5 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$1,077,900, \$816,256 and \$750,294, respectively; 72.50 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$296,384 representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds.

**Social Security System**

Effective June 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2000, none of the members of the Board of Education have elected Social Security.

**NOTE 11 - POSTEMPLOYMENT BENEFITS**

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of health care cost in the form of a monthly premium. By Ohio Law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. Through June 30, 1998, the Board allocated employer contributions equal to 3.5 percent of covered payroll to the Health Care Reserve Fund. Beginning July 1, 1998, this allocation was increased to 8 percent. For the District, this amount equaled \$615,943 during fiscal year 2000.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$2,783 million at June 30, 1999. For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivorship 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.

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

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

For this fiscal year, employer contributions to fund health care benefits were 6.3 percent of covered payroll, an increase from 4.98 percent for fiscal year 1999. 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 2000, the minimum pay has been established at \$12,400. The surcharge added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 1999 were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$188 million. The number of participants currently receiving health care benefits is approximately 51,000. For the District, the amount to fund health care benefits, including the surcharge, equaled \$109,085 during the 2000 fiscal year.

**NOTE 12 - EMPLOYEE BENEFITS**

**Compensated Absences**

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators do not earn vacation time, with the exception of the Superintendent and Treasurer. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 200 days. Upon retirement, payment is made for thirty-three percent of the employee's accumulated sick leave up to a maximum of 45 days for certified and administrative employees and 50 days for non-certificated employees.

The amount of accumulated vacation and sick leave of employees paid from governmental funds is recorded in the appropriate governmental fund as a current liability to the extent that the amounts are expected to be paid using expendable available financial resources. The balance of the liability is recorded in the General Long-Term Obligations Account Group. Vacation and sick leave for employees paid from proprietary funds is recorded as an expense and liability of the fund.

The governmental funds reported no liability for compensated absences at June 30, 2000, however, \$410,138 was reported in the General Long-Term Obligations Account Group. The liability for compensated absences in the Enterprise Funds was \$7,583 at June 30, 2000.

**Deferred Compensation**

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

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

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

**Deferred Compensation** - (Continued)

Under the Ohio Public Employees Deferred Compensation Program, all assets are now being held in a trust arrangement for the exclusive benefit of participants and their beneficiaries, as required by the Small Business Protection Act of 1996. Under this Act, all existing deferred compensation plans were required to implement such a trust arrangement by January 1, 1999. As a result, the assets of this plan are no longer reflected in the combined financial statements of the District.

**NOTE 13 - LONG-TERM OBLIGATIONS**

Changes in the long-term obligations of the District during the 2000 fiscal year were as follows:

	Maturity Date	Interest Rate	Principal Outstanding at June 30, 1999	Additions	Deletions	Principal Outstanding at June 30, 2000
Compensated Absences	N/A	N/A	\$326,112	\$84,026	\$0	\$410,138
Intergovernmental Payable	N/A	N/A	88,325	21,842	0	110,167
Capital Leases Payable	N/A	N/A	13,456	59,329	15,016	57,769
Energy Conservation Loan	6/1/00	5.40%	174,333	0	174,333	0
General Obligation Bonds	12/1/20	5.01%	4,860,000	0	130,000	4,730,000
Total General Long-Term Obligations			<u>\$5,462,226</u>	<u>\$165,197</u>	<u>\$319,349</u>	<u>\$5,308,074</u>

General obligation bonds were issued in the amount of \$5,010,000 in July 1998, as a result of the District being approved for \$11,041,812 school facilities funding through the State Department of Education for the construction of a high school building. The District issued the general obligation bonds to provide a partial cash match to the school facilities funding. As a requirement of the school facilities funding program, the District passed a 3.82 mill levy in November 1997. Of the 3.82 mill levy, 3.32 mills is used for the retirement of the bonds that were issued and are in effect for twenty-three years. The remaining .5 mill is used for repairs and maintenance of the facility. As a part of this funding process, the District must submit a maintenance plan to the Ohio School Facilities Commission every five years until the twenty-three year period expires. If the District's adjusted valuation per pupil increases above the state-wide median adjusted valuation during the twenty-three year period, the District may become responsible for repayment of a portion of the State's contribution.

Compensated absences and intergovernmental payable will be paid from the fund from which the person is paid. All other long-term obligations will be paid from the General Fund and Debt Service Fund.

The District's voted legal debt margin was \$6,538,210 with an unvoted debt margin of \$125,202 at June 30, 2000.

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

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

Principal and interest requirements to retire the general obligation bonds and capital leases at June 30, 2000 are as follows:

Year Ending June 30	General Obligation Bonds	Capital Leases	Totals
2001	\$364,634	\$31,500	\$396,134
2002	368,928	31,030	399,958
2003	367,805	31,031	398,836
2004	366,361	30,954	397,315
2005	364,628	15,730	380,358
2006-2010	1,823,611	0	1,823,611
2011-2015	1,821,157	0	1,821,157
2016-2021	2,169,375	0	2,169,375
Total Principal & Interest	7,646,499	140,245	7,786,744
Less: Interest	2,916,499	82,476	2,998,975
Total Principal	<u>\$4,730,000</u>	<u>\$57,769</u>	<u>\$4,787,769</u>

**NOTE 14 - INTERFUND ACTIVITY**

As of June 30, 2000, receivables and payables that resulted from various interfund transactions were as follows:

Fund	Interfund Receivables	Interfund Payables
<i>General Fund</i>	\$196,820	\$0
<i>Special Revenue Funds:</i>		
DPIA	0	91,870
Miscellaneous Federal Grant	0	34,173
Title VI-B Grant	0	15,515
Total Special Revenue Funds	0	141,558
<i>Capital Project Fund:</i>		
Emergency Building Repair	0	55,262
Total	<u>\$196,820</u>	<u>\$196,820</u>



**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

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**NOTE 15 - STATUTORY SET-ASIDES**

The following changes occurred in the District's set-aside reserve accounts during fiscal year 2000:

	<u>Textbooks</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>	<u>Totals</u>
Set-Aside Balance as of June 30, 1999	\$25,026	\$151,414	\$138,203	\$314,643
Current Year Set-Aside Requirement	239,869	239,869	79,956	559,694
Qualifying Disbursements	<u>(141,060)</u>	<u>(316,997)</u>	<u>0</u>	<u>(458,057)</u>
Total	<u>123,835</u>	<u>74,286</u>	<u>218,159</u>	<u>416,280</u>
Set-Aside Balance as of June 30, 2000	<u>\$123,835</u>	<u>\$74,286</u>	<u>\$218,159</u>	
Total Restricted Assets				<u>\$416,280</u>

The School District has also designated additional amounts from the General Fund for the textbook reserve (\$37,639) and capital improvements reserve (\$70,717) that may be used to reduce the set-aside requirement in future years. These additional amounts are not required by State statute and may be changed at the discretion of the Board of Education.

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

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**NOTE 16 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The District maintains two Enterprise Funds to account for operations of food service sales and uniform school supply sales. The table below reflects in a summarized format the more significant financial data relating to the Enterprise Funds as of and for the fiscal year ended June 30, 2000.

	Food Service	Uniform School Supplies	Total Enterprise
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Operating Revenues	\$145,253	\$13,036	\$158,289
Operating Expenses Before Depreciation	624,619	18,186	642,805
Depreciation	5,875	0	5,875
Operating Loss	(485,241)	(5,150)	(490,391)
Operating Transfers-In	0	4,069	4,069
Donated Commodities	50,929	0	50,929
Operating Grants	392,733	0	392,733
Net Income (Loss)	(41,369)	(1,081)	(42,450)
Net Working Capital	53,288	0	53,288
Total Assets	193,061	0	193,061
Total Liabilities	78,224	0	78,224
Total Equity	114,837	0	114,837

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

**NOTE 17 - CONTRACTUAL COMMITMENTS**

As of June 30, 2000, the District had the following contractual purchase commitments for school building improvements:

Contractor	Contract Amount	Amount Expended	Unexpended Balance at June 30, 2000
Apex Construction Company	\$4,839,404	\$3,943,973	\$895,431
Bushong Restaurant Equipment	271,810	260,489	11,321
Claypool Electric Company	1,249,719	1,103,029	146,690
Croson/Teepe L.L.P.	2,158,166	2,037,956	120,210
Fanning/Howey Associates, Inc.	863,000	819,850	43,150
Farnham Equipment Company	378,439	353,105	25,334
Global Fire Protection	206,150	188,019	18,131
JMD Architectural Products, Inc.	295,680	282,979	12,701
Kenny Huston Company	1,726,561	1,671,681	54,880
Performance Site Management	1,052,899	1,027,669	25,230
Quandel Group	650,000	549,250	100,750
Staggs Roofing, Inc.	731,275	702,704	28,571
Esquire Data Corp.	243,616	52,393	191,223
Dave Smith Telephone	45,558	5,500	40,058
Sound Cam Corp.	316,037	0	316,037
Totals	<u>\$15,028,314</u>	<u>\$12,998,597</u>	<u>\$2,029,717</u>

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

**NOTE 17 - CONTRACTUAL COMMITMENTS** - (Continued)

As of June 30, 2000, the District had the following contractual purchase commitments for athletic complex improvements:

Contractor	Contract Amount	Amount Expended	Unexpended Balance at June 30, 2000
Fanning/Howey Associates, Inc.	\$94,000	\$92,973	\$1,027
Portland Electric	234,106	0	234,106
Claypool Electric	5,823	0	5,823
Dant Clayton Corp.	337,738	0	337,738
Quandel Group	70,000	62,434	7,566
Performance Site Management	236,767	218,114	18,653
Totals	<u>\$978,434</u>	<u>\$373,521</u>	<u>\$604,913</u>

**NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS**

**South Central Ohio Computer Association**

The District is a participant in the South Central Ohio Computer Association (SCOCA) which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Highland, Adams, Pike, Scioto, Brown, Ross, Vinton, and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA consists of two representatives from each county elected by majority vote of all charter member school districts within each county, two treasurers elected by majority vote of all charter member school districts, and one representative from the fiscal agent. The District paid SCOCA \$18,084 for services provided during the year. Financial information for SCOCA can be obtained from their fiscal agent, Pike County Joint Vocational School District, P.O. Box 577, 175 Beaver Creek, Piketon, Ohio 45661.

**Gallia - Vinton Educational Service Center**

The Gallia - Vinton Educational Service Center is a jointly governed organization providing educational services to its two participating school districts. The Educational Service Center is governed by a board of education comprised of eight members appointed by the participating schools. The board controls the financial activity of the Educational Service Center and reports to the Ohio Department of Education and the Auditor of State. The continued existence of the Educational Service Center is not dependent on the District's continued participation and no equity interest exists. During fiscal year 2000, the District made no contributions to the Educational Service Center. To obtain financial information, write to the Gallia - Vinton Educational Service Center, P.O. Box 178, Rio Grande, Ohio 45674.

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

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**NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS** - (Continued)

**Gallia-Jackson-Vinton Joint Vocational School District**

The Gallia-Jackson-Vinton Joint Vocational School is a jointly governed organization providing vocational services to its six participating school districts. The Joint Vocational School is governed by a board of education comprised of nine members appointed by the participating schools. The board controls the financial activity of the Joint Vocational School and reports to the Ohio Department of Education and the Auditor of State of Ohio. The continued existence of the Joint Vocational School is not dependent on the District's continued participation and no equity interest exists. During fiscal year 2000, the District made no contributions to the Joint Vocational School. To obtain financial information, write to the Gallia-Jackson-Vinton Joint Vocational School, P.O. Box 157, Rio Grande, Ohio 45674.

**NOTE 19 - GROUP PURCHASING POOL**

**Ohio School Boards Association Worker's Compensation Group Rating Plan**

The District participates in a group rating plan for worker's compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Worker's Compensation Group Rating Plan (the "Plan") was established through the Ohio School Boards Association (OSBA) as a group purchasing pool.

The Plan's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the Plan to cover the costs of administering the program.

**NOTE 20 - SCHOOL FUNDING COURT DECISION**

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program" which provides significant amounts of monetary support to the District. For the fiscal year ended June 30, 2000, the District received \$8,562,122 in school foundation support for its General Fund.

In addition, the Court declared the classroom facilities program unconstitutional. The classroom facilities program provided money to build schools and furnish classrooms. As of June 30, 2000, the District had been awarded \$11,041,812 under this program and has received \$9,370,955.

**VINTON COUNTY LOCAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 2000**

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**NOTE 20 - SCHOOL FUNDING COURT DECISION** - (Continued)

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "... the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997 decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly..." including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

As of the date of these financial statements, the District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations.

**NOTE 21 - CONTINGENCIES**

**Grants**

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2000.

**Litigation**

As of June 30, 2000, the District did not have any pending litigation or potential liabilities that would have a material effect on the financial statements.

VINTON COUNTY LOCAL SCHOOL DISTRICT  
VINTON COUNTY

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Noncash Receipts	Disbursements	Noncash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$	\$ 50,929	\$	\$ 53,937
School Breakfast Program	05-PU 99/00	10.553	104,876		104,876	
National School Lunch Program	03/04-PU 99/00	10.555	309,210		309,210	
Total Nutrition Cluster			414,086	50,929	414,086	53,937
Total U.S. Department of Agriculture			414,086	50,929	414,086	53,937
<b>U.S. DEPARTMENT OF LABOR</b>						
<i>Passed Through Ohio Department of Education:</i>						
Employment Services and Job Training - Pilot and Demonstration (School-to-Work) Program	WK-BE 98/99	17.249	42,401		37,684	
Total U.S. Department of Labor			42,401	0	37,684	0
<b>APPALACHIAN REGIONAL COMMISSION</b>						
<i>Passed Through Kentucky Science &amp; Technology Council, Inc.:</i>						
Appalachian Regional Development - Math and Science Telecommunication Grant	N/A	23.001	9,788		10,000	
Total Appalachian Regional Commission			9,788	0	10,000	0
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education:</i>						
Title I Grants to Local Educational Agencies	C1-S1 99/00	84.010	701,776		645,385	
Special Education Cluster:						
Grants to States	6B-SF/SX 98/99/00	84.027	209,357		222,271	
Preschool Grant	PG-S1 98/99	84.173	19,868		19,981	
Total Special Education Cluster			229,225	0	242,252	0
Safe and Drug-Free Schools and Communities	DR-S1/SP 99/00	84.186	13,720		16,131	
Goals 2000	G2-S2/S4/S8 98/99/00	84.276	96,000		54,495	
Eisenhower Professional Development Grant	MS-S1 99/00	84.281	4,856		9,236	
Twenty-First Century Community Learning Centers	N/A	84.287			28,412	
Innovative Education Program Strategies	C2-S1 99/00	84.298	13,207		12,395	
Technology Literacy Challenge Fund Grant	TF-S2/24/25 98/99	84.318	62,500		83,975	
Class Size Reduction Grant	CR-S1 00	84.340	92,250		62,165	
Total U.S. Department of Education			1,213,534	0	1,154,446	0
<b>U.S. DEPARTMENT OF MENTAL RETARDATION</b>						
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>						
Medical Assistance Program	N/A	93.778	56,422		30,012	
Total U.S. Department of Mental Retardation			56,422	0	30,012	0
<b>U.S. DEPARTMENT OF HUMAN SERVICES</b>						
<i>Passed Through Ohio Department of Education:</i>						
Maternal and Child Health Services Block Grant	N/A	93.994	16,704		14,707	
Total U.S. Department of Human Services			16,704	0	14,707	0
<b>Total Federal Awards Receipts and Expenditures</b>			<b>\$ 1,752,935</b>	<b>\$ 50,929</b>	<b>\$ 1,660,935</b>	<b>\$ 53,937</b>

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

**VINTON COUNTY LOCAL SCHOOL DISTRICT  
VINTON COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

**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 - FOOD DISTRIBUTION**

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2000, the School District had food commodities valued at \$4,286 in inventory.





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Vinton County Local School District  
Vinton County  
307 West High Street  
McArthur, Ohio 45651

To the Board of Education:

We have audited the accompanying general purpose financial statements of the Vinton County Local School District, Vinton County, Ohio (the School District), as of and for the fiscal year ended June 30, 2000, and have issued our report thereon dated April 19, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the School District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings as items 2000-10782-001 and 2000-10782-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the School District in a separate letter dated April 19, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. 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 District in a separate letter dated April 19, 2001.

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

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

**Jim Petro**  
Auditor of State

April 19, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Vinton County Local School District  
Vinton County  
307 West High Street  
McArthur, Ohio 45651

To the Board of Education:

**Compliance**

We have audited the compliance of the Vinton County Local School District, Vinton County, Ohio (the School District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the fiscal year ended June 30, 2000. The School District'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 District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the fiscal year ended June 30, 2000. However, we noted an instance of noncompliance that does not require inclusion in this report that we have reported to the management of the School District in a separate letter dated April 19, 2001.

**Internal Control Over Compliance**

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

Vinton County Local School District  
Vinton County  
Report of Independent Accountants on Compliance with Requirements  
Applicable to Each Major Federal Program and Internal Control Over  
Compliance in Accordance with OMB Circular A-133  
Page 2

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 certain 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 District in a separate letter dated April 19, 2001.

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

**Jim Petro**  
Auditor of State

April 19, 2001

**VINTON COUNTY LOCAL SCHOOL DISTRICT  
VINTON COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other reportable conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under §.510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Nutrition Cluster:  Food Distribution Program, CFDA #10.550 School Breakfast Program, CFDA #10.553 National School Lunch Program, CFDA #10.555
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

VINTON COUNTY LOCAL SCHOOL DISTRICT  
VINTON COUNTY

SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(Continued)

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

**FINDING NUMBER 2000-10782-001**

**Noncompliance Citation**

Ohio Revised Code Section 5705.39 states that the total appropriation from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

Appropriations exceeded estimated resources for 2000 in the following funds:

<u>Fund</u>	<u>Amount</u>	<u>Percent</u>
DPIA Fund	\$ 161,748	19%
Title VI-B Fund	\$61,805	19%
Title I Fund	\$215,012	22%
High School Construction Fund	\$3,925,113	36%
Food Service Fund	\$40,425	7%
Self-Insurance Fund	\$642,105	71%

We recommend the Board of Education review estimated resources prior to amending appropriations. If the appropriations amendment will exceed the estimated resources, the Board of Education should request an Amended Certificate of Estimated Resources from the County Budget Commission if actual receipts will exceed original estimates.

**FINDING NUMBER 2000-10782-002**

**Finding for Recovery**

Pete Semple retired from the School District effective June 1, 1999. Upon retirement he was eligible to be paid for one quarter of his accrued sick days, not to exceed 46 days, plus a severance bonus of \$10,000 for completing 30 years of service. Mr. Semple had accrued 197 sick days at his retirement date. One-quarter of this would be 49.25 days. This exceeds the maximum allowed of 46 days. Therefore, Mr. Semple should have only been paid for 46 days times his daily salary rate (\$228.876) plus the \$10,000 bonus (\$20,528.30). However, he was paid for the entire 49.25 days times his daily salary rate (\$228.876), plus the \$10,000 bonus (\$21,272.14). This resulted in an overpayment of severance in the amount of \$743.84.

VINTON COUNTY LOCAL SCHOOL DISTRICT  
VINTON COUNTY

SCHEDULE OF FINDINGS  
*OMB CIRCULAR A-133 §.505*  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(Continued)

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

**FINDING NUMBER 2000-10782-002 (Continued)**

**Finding for Recovery (Continued)**

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Pete Semple, former employee, and Tami L. Downard, Treasurer and her bonding company, the Ohio Casualty Insurance Company, jointly and severally, in the amount of \$743.84 and in favor of the General Fund of the Vinton County Local School District.

**3. FINDINGS FOR FEDERAL AWARDS**

There were no findings related to federal awards.

VINTON COUNTY LOCAL SCHOOL DISTRICT  
VINTON COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
*OMB CIRCULAR A-133 §.315(b)*  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
1999-10782-001	A Finding for Recovery for monies not accounted for was issued against Lisa Thornton and the Ohio Farmers Insurance Company for the amount of \$290.	Yes	The finding was repaid through a deduction from the employee's severance pay upon termination.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

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**VINTON COUNTY LOCAL SCHOOL DISTRICT**

**VINTON 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  
MAY 10, 2001**