



**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2001**



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

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**STATE OF OHIO**



**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

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

One First National Plaza  
130 West Second Street  
Suite 2040  
Dayton, Ohio 45402  
Telephone 937-285-6677  
800-443-9274  
Facsimile 937-285-6688  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

## REPORT OF INDEPENDENT ACCOUNTANTS

Greene County Vocational School District  
Greene County  
2960 West Enon Road  
Xenia, Ohio 45385

To the Board of Education:

We have audited the accompanying general-purpose financial statements of the Greene County Vocational School District, Greene County, (the District) as of and for the year ended June 30, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the 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 Greene County Vocational School District, Greene County, as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2002, on our consideration of the 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.

We performed our audit to form an opinion on the general-purpose financial statements of the District, taken as a whole. The accompanying schedule of federal awards expenditures is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

**Jim Petro**  
Auditor of State

January 23, 2002

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**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
JUNE 30, 2001**

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b>Assets and Other Debits</b>				
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,736,698	\$229,653		\$1,697,363
Restricted Cash and Cash Equivalents	74,902			
<b>Receivables:</b>				
Taxes	5,107,821			1,741,039
Accounts	34,994			
Intergovernmental Receivable		51,298		
Supplies Inventory	30,720			
Inventory Held for Resale				
Interfund Receivable	152,845			
Land				
Buildings and Other Improvements				
Equipment				
Vehicles				
Construction in Progress				
Less: Accumulated Depreciation				
<b>Other Debits:</b>				
Amount to be Provided for Retirement of General Long Term Obligations				
Total Assets and Other Debits	<u>7,137,980</u>	<u>280,951</u>	<u>0</u>	<u>3,438,402</u>
<b>Liabilities, Fund Equity and Other Credits</b>				
<b>Liabilities:</b>				
Accounts Payable	39,104	9,578		135,106
Accrued Salaries Payable	693,905	72,608		
Intergovernmental Payable	104,558	13,586		
Interfund Payable		151,341		1,504
Due to Students				
Due to Other Governments				
Deferred Revenue	4,722,760			1,604,636
Compensated Absences Payable	103,038	25,561		
Capital Lease Obligation				
State Loan Payable				
Total Liabilities	<u>5,663,365</u>	<u>272,674</u>		<u>1,741,246</u>
<b>Fund Equity and Other Credits:</b>				
Investment in General Fixed Assets				
Contributed Capital				
Retained Earnings:				
Unreserved				
Fund Balances:				
Reserved for Encumbrances	173,405	99,580		330,797
Reserved for Supplies Inventory	30,720			
Reserved for Taxes	385,061			136,403
Reserved for Budget Stabilization	74,902			
Unreserved	810,527	(91,303)		1,229,956
Total Fund Equity and Other Credits	<u>1,474,615</u>	<u>8,277</u>		<u>1,697,156</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$7,137,980</u>	<u>\$280,951</u>	<u>\$0</u>	<u>\$3,438,402</u>

See accompanying notes to the general purpose financial statements.

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Total (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
	\$699,924			\$4,363,638
				74,902
				6,848,860
				34,994
2,960				54,258
109				30,829
2,964				2,964
				152,845
		57,564		57,564
		4,586,234		4,586,234
145,748		3,334,123		3,479,871
		169,311		169,311
		1,395,725		1,395,725
(121,186)				(121,186)
			1,143,162	1,143,162
<u>30,595</u>	<u>699,924</u>	<u>9,542,957</u>	<u>1,143,162</u>	<u>22,273,971</u>
				183,788
17,942				784,455
4,828				122,972
				152,845
	49,375			49,375
	646,313			646,313
				6,327,396
			263,064	391,663
			38,654	38,654
			841,444	841,444
<u>22,770</u>	<u>695,688</u>		<u>1,143,162</u>	<u>9,538,905</u>
		9,542,957		9,542,957
334,043				334,043
(326,218)				(326,218)
	300			604,082
				30,720
				521,464
				74,902
	3,936			1,953,116
<u>7,825</u>	<u>4,236</u>	<u>9,542,957</u>		<u>12,735,066</u>
<u>\$30,595</u>	<u>\$699,924</u>	<u>\$9,542,957</u>	<u>\$1,143,162</u>	<u>\$22,273,971</u>

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	<u>Governmental Fund Types</u>					<b>Total (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
<b>Revenues:</b>						
Taxes	\$4,252,819		\$55,094	\$1,394,771		\$5,702,684
Intergovernmental	4,932,693	1,077,967		467,908		6,478,568
Interest	205,853					205,853
Tuition and Fees	86,713	559,062				645,775
Extracurricular Activities		30,260				30,260
Other	151,480	13,908		5,000	1,805	172,193
<b>Total Revenues</b>	<u>9,629,558</u>	<u>1,681,197</u>	<u>55,094</u>	<u>1,867,679</u>	<u>1,805</u>	<u>13,235,333</u>
<b>Expenditures:</b>						
Current:						
Instruction:						
Regular	294,463			4,366		298,829
Special	81,105	1,431				82,536
Vocational	5,105,321	1,172,143		847,955	1,305	7,126,724
Adult/Continuing		33,820				33,820
Other	114,061					114,061
Support Services:						
Pupils	504,049	143,831		6,422		654,302
Instructional Staff	781,944	162,251		230,748	500	1,175,443
Board of Education	182,661			29,672		212,333
Administration	667,530	24,609		44,633		736,772
Fiscal	392,442	5,000		7,289		404,731
Operation and Maintenance of Plant	623,151			86,192		709,343
Central	123,487	107,918		3,480		234,885
Non-Instructional Services	119,015			3,429		122,444
Extracurricular Activities	16,045	33,763				49,808
Capital Outlay				1,463,566		1,463,566
Debt Service:						
Principal Retirement			71,761	8,774		80,535
Interest and Fiscal Charges				4,918		4,918
<b>Total Expenditures</b>	<u>9,005,274</u>	<u>1,684,766</u>	<u>71,761</u>	<u>2,741,444</u>	<u>1,805</u>	<u>13,505,050</u>
Excess of Revenues Over (Under) Expenditures	<u>624,284</u>	<u>(3,569)</u>	<u>(16,667)</u>	<u>(873,765)</u>		<u>(269,717)</u>
Other Financing Sources (Uses):						
Transfers - In	1,962	354,485	16,667	741		373,855
Transfers - Out	(373,276)	(1,962)		(16,667)		(391,905)
Proceeds of State Loan				500,000		500,000
<b>Total Other Financing Sources (Uses)</b>	<u>(371,314)</u>	<u>352,523</u>	<u>16,667</u>	<u>484,074</u>		<u>481,950</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	252,970	348,954		(389,691)		212,233
Fund Balances at Beginning of Year	1,214,347	(340,677)		2,086,847	4,236	2,964,753
Decrease in Reserve for Inventory	7,298					7,298
<b>Fund Balances at End of Year</b>	<u>\$1,474,615</u>	<u>\$8,277</u>	<u>\$0</u>	<u>\$1,697,156</u>	<u>\$4,236</u>	<u>\$3,184,284</u>

See accompanying notes to the general purpose financial statements.

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**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP, BUDGET BASIS)  
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$4,998,337	\$4,998,337				
Intergovernmental	4,371,936	4,371,936		1,336,147	1,336,147	
Interest	86,713	86,713				
Tuition and Fees	212,063	212,063		260,698	260,698	
Extracurricular Activities				30,260	30,260	
Customer Services	75,005	75,005				
Miscellaneous	66,617	66,617		13,908	13,908	
Total Revenues	<u>9,810,671</u>	<u>9,810,671</u>		<u>1,641,013</u>	<u>1,641,013</u>	
<b>Expenditures:</b>						
Current:						
Instruction:						
Regular	280,023	280,023				
Special	76,502	76,502		1,431	1,431	
Vocational	5,060,543	5,060,543		1,189,301	1,189,301	
Adult/Continuing				33,820	33,820	
Other	114,061	114,061				
Support Services:						
Pupils	492,957	492,957		138,641	138,641	
Instructional Staff	812,217	812,217		171,799	171,799	
Board of Education	200,025	200,025				
Administration	675,305	675,305		24,609	24,609	
Fiscal	396,832	396,832		5,000	5,000	
Operations of Maintenance of Plant	634,667	634,667				
Central	121,618	121,618		160,046	160,046	
Operation of Non-Instructional Services	119,015	119,015				
Extracurricular Activities	16,045	16,045		35,424	35,424	
Capital Outlay						
Debt Service:						
Principal Retirement						
Total Expenditures	<u>8,999,810</u>	<u>8,999,810</u>		<u>1,760,071</u>	<u>1,760,071</u>	
Excess of Revenues Over(Under) Expenditures	<u>810,861</u>	<u>810,861</u>		<u>(119,058)</u>	<u>(119,058)</u>	
Other Financing Sources (Uses):						
Advances - In	87,106	87,106		151,341	151,341	
Advances - Out	(152,845)	(152,845)		(87,106)	(87,106)	
Operating Transfer - In				6,363	6,363	
Operating Transfer - Out	(24,413)	(24,413)				
Total Other Financing Sources (Uses)	<u>(90,152)</u>	<u>(90,152)</u>		<u>70,598</u>	<u>70,598</u>	
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	720,709	720,709		(48,460)	(48,460)	
Fund Balances at Beginning of Year	865,574	865,574		171,692	171,692	
Encumbrances at Year End	211,822	211,822		109,158	109,158	
Fund Balances at End of Year	<u>\$1,798,105</u>	<u>\$1,798,105</u>	<u>\$0</u>	<u>\$232,390</u>	<u>\$232,390</u>	<u>\$0</u>

See accompanying notes to the general purpose financial statements.

Debt Service Fund			Capital Project Funds			Expendable Trust Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$55,094	\$55,094		\$1,655,104	\$1,655,104				
			274,190	274,190				
			5,000	5,000		1,805	1,805	
55,094	55,094		1,934,294	1,934,294		1,805	1,805	
			4,366	4,366				
			903,498	903,498		1,305	1,305	
			6,422	6,422		800	800	
			308,100	308,100				
			28,630	28,630				
			44,633	44,633				
			7,289	7,289				
			120,043	120,043				
			3,480	3,480				
			3,429	3,429				
			1,654,982	1,654,982				
71,761	71,761							
71,761	71,761		3,084,872	3,084,872				
(16,667)	(16,667)		(1,150,578)	(1,150,578)				
			500,000	500,000				
			1,504	1,504				
16,667	16,667							
			(665,741)	(665,741)		(300)	(300)	
			1,897,202	1,897,202		4,236	4,236	
			465,903	465,903		300	300	
\$0	\$0	\$0	\$1,697,364	\$1,697,364	\$0	\$4,236	\$4,236	\$0

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED JUNE 30, 2001**

	<b>Enterprise</b>
<b>Operating Revenues:</b>	
Lunchroom Sales	\$113,846
Other Operating	108,064
Total Operating Revenues	221,910
<b>Operating Expenses:</b>	
Salaries and Fringe Benefits	142,902
Purchased Services	554
Supplies and Materials	11,777
Cost of Sales	127,246
Depreciation	8,891
Total Operating Expenses	291,370
Operating Loss	(69,460)
<b>Non-Operating Revenues</b>	
Operating Grants	26,204
Donated Commodities	10,993
Total Non-Operating Revenues	37,197
Net Loss Before Operating Transfer - In	(32,263)
Operating Transfer - In	18,050
Net Loss	(14,213)
Retained Earnings at Beginning of Year	(312,005)
Retained Earnings at End of Year	(\$326,218)

*See accompanying notes to the general purpose financial statements.*

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP, BUDGET BASIS)  
PROPRIETARY FUND TYPE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	<b>Enterprise Fund</b>		
	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues:</b>			
Lunchroom Sales	\$113,846	\$113,846	
Other	108,064	108,064	
Operating Grants	25,986	25,986	
Total Revenues	247,896	247,896	
<b>Expenses:</b>			
Salaries	101,395	101,395	
Fringe Benefits	36,154	36,154	
Purchased Services	554	554	
Materials and Supplies	127,843	127,843	
Total Expenses	265,946	265,946	
Excess of Revenues Over Expenses and Transfers	(18,050)	(18,050)	
Operating Transfers - In	18,050	18,050	
Fund Equity at Beginning of Year	0	0	0
Fund Equity at End of Year	\$0	\$0	\$0

*See accompanying notes to the general purpose financial statements.*

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED JUNE 30,2001**

	<b>Enterprise</b>
Increase (Decrease) in Cash and Cash Equivalents:	
Cash Flows from Operating Activities:	
Cash Received from Customers	\$113,846
Other Operating Receipts	108,064
Cash Payments to Employees for Services and Benefits	(137,549)
Cash Payments to Suppliers for Goods and Services	(128,397)
Net Cash Used In Operating Activities	(44,036)
Cash Flows from Noncapital Financing Activities:	
Operating Grants	25,986
Operating Transfer - In	18,050
Net Cash Provided by Noncapital Financing Activities	44,036
Net Decrease in Cash and Cash Equivalents	0
Cash and Cash Equivalents Beginning of Year	0
Cash and Cash Equivalents End of Year	\$0
Reconciliation of Operating Loss to Net Cash Used In Operating Activities:	
Operating Loss	(\$69,460)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	8,891
Donated Commodities Received	10,993
Changes in Assets and Liabilities:	
Decrease in Supplies Inventory	285
Increase in Inventory Held for Resale	(98)
Increase in Accrued Salaries Payable	4,573
Increase in Intergovernmental Payable	780
Net Cash Used In Operating Activities	(\$44,036)
Noncash Capital Financing Activities:	
The District's General Fund contributed equipment of \$23,195 to the Food Service Fund for fiscal year 2001.	

*See accompanying notes to general financial statements.*

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001**

**1. REPORTING ENTITY AND BASIS OF PRESENTATION**

Greene County Vocational School District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The first official body designated as the Greene County Vocational School District was formed in March, 1964.

The School District operates under a locally-elected seven-member Board form of government and provides educational services as authorized by its charter and further mandated by state and/or federal agencies. This Board controls the district's instructional/support facilities staffed by a full-time staff of 139 employees. There are 88 certificated employees including 7 administrators and 42 classified support staff including 2 administrators, who provide services to 767 students and other community members.

**A. Reporting Entity**

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the School District are not misleading.

The primary government consists of all funds and departments which provide various services including vocational and adult instruction, student guidance, educational media, and care and upkeep of grounds and buildings. The operation of each of these activities is directly controlled by the Board of Education.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing body and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations for which the School District approves the budget, the issuance of debt or the levying of taxes.

The School District does not have any component units.

The District is associated with two organizations which are defined as jointly governed. These organizations include the Miami Valley Educational Computer Association and the Southwestern Ohio Educational Purchasing Cooperative. These organizations are presented in Note 18 to the general purpose financial statements

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

**1. Governmental Fund Types:**

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

**General Fund**

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

**Special Revenue Funds**

These funds are established to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditure for specific purposes.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Debt Service Fund**

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

**Capital Projects Fund**

The capital projects fund is 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 and trust funds).

**2. Proprietary Fund Types:**

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

**Enterprise Funds**

These 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 costs (expenses, including depreciation) of providing services to the general public on a continuing basis be recovered or financed primarily through user charges or where it has been decided that a periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**3. Fiduciary Fund Types:**

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments and other funds. These include expendable trust and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**4. 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 used to account for all general fixed assets of the School District other than those accounted for in proprietary or trust funds.

**General Long-Term Obligations Account Group**

This account group is used to account for all long-term indebtedness of the School District that is not a specific liability of the proprietary or trust funds.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds 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.

All governmental fund types, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting. 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 year. The available period for the School 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, grants and customer services.

The School District reports deferred revenues in 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 a 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. Current and delinquent property taxes measurable as of June 30, 2001, whose availability is indeterminate and which are not intended to finance current period obligations, have been recorded as a receivable and deferred revenue. In the proprietary fund type, unused donated commodities are reported as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are recorded when 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. 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.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund type. Revenues are recognized when they are earned and become measurable and expenses are recognized when 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.

**C. Budgets and Budgetary Accounting**

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, certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance 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.

**1. 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 on 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 taxpayer's 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 Greene County Budget Commission for rate determination.

**2. 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 states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the Certificate is amended to include unencumbered cash balances from the preceding year. The certificate may be further amended during the year if the fiscal officer determines that the revenue collected is greater or less than the current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year 2001.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3. 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 must be legally enacted by the Board of Education at the fund, function, object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The 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 does not exceed the amounts set forth in the most recent Certificate of Estimated Resources. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

**4. 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. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balances for subsequent-year expenditure for governmental funds and reported in the notes to the financial statements for proprietary funds.

**5. 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 appropriations. The encumbered appropriation balance is also carried forward to the succeeding fiscal year and reappropriated. Budgetary fund balance is equal to the fund's cash balance.

**D. Cash and Cash Equivalents**

To improve cash management, all cash received by the School District is pooled in a central bank account. Monies for all funds, including the proprietary fund type, are maintained in this account or temporarily used to purchase short term investments. Each fund's interest in the pool is presented on the balance sheet as "Equity in Pooled Cash and Cash Equivalents".

During fiscal year 2001 investments were limited to overnight repurchase agreements.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments with original maturities of three months or less and investments of the cash management pool are considered to be cash equivalents.

Under existing Ohio statutes, all investment earnings are distributed to the General Fund except those specifically related to certain trust funds. Interest income earned in 2001 amounted to \$205,853.

**E. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. See Note 21 for further information.

**F. Supplies Inventory**

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased and as expenses in the proprietary fund types when used. Reported supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

**G. Short-Term Interfund Receivables/Payables**

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 balance sheet. Short-term interfund loans are classified as "interfund receivables/payables."

**H. Fixed Assets and Depreciation**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed asset account group. Fixed assets utilized in the proprietary funds are capitalized in the fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. A valuation firm performs a physical inventory each year and updates the inventory system. Donated fixed assets are capitalized at fair value on the date donated. The School District maintains a capitalization threshold of \$1,000. The School District does not have any infrastructure.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Assets in the general fixed assets account group are not depreciated. Depreciation of equipment in the enterprise funds is computed using the straight-line method over an estimated useful life of 10 to 20 years.

**H. 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.

The School 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**

Eisenhower Grant  
Career Development  
Professional Development  
Adult Vocational Education  
Education Management Information Systems  
Children's Trust  
Adult Basic Education  
Vocational Education  
Title VI  
Jobs  
Data Communication  
School Net

**Reimbursable Grants**

**General Fund**

Driver Education

**Proprietary Funds**

National School Lunch Program  
Government Donated Commodities

Grants and entitlements amounted to approximately forty-four percent of the School District's operating revenue during the 2001 fiscal year.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Compensated Absences**

Vacation leave accumulated by employees is accrued as a liability as the benefits are earned when both of these conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

A liability for sick leave is accrued using the vesting method which states that the District will estimate its liability based on sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as specified by the retirement system as well as other employees who are expected to become eligible in the future to receive such payments.

For governmental funds, the District provides a liability for accumulated, unpaid vacation time and sick leave for eligible employees in the period in which the employee becomes eligible to receive payment. The current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. This amount is recorded as a fund liability, while the balance of the liability is recorded in the general long-term obligations account group.

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

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Payments made more than two months after fiscal year-end are considered not to have used current financial resources. Bonds, capital leases, and long-term loans are reported as a liability of the general long-term obligations accounts group until due.

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

Under Ohio law, a debt service fund must be created and used for the payment of tax and revenue anticipation notes. Generally accepted accounting principles requires the reporting of the liability in the funds that received the proceeds. To comply with GAAP reporting requirements, the School District's debt service fund has been split among the appropriate funds. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Contributed Capital**

Contributed capital represents resources from other funds, federal and state grants, other governments, and private sources provided to the District's proprietary funds which are not subject to repayment.

The District's proprietary type fund records all fixed assets as contributed capital since all assets were purchased by the General Fund.

**L. Estimates**

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

**M. Reservations and Designation of Fund Equity**

Reservations of fund balances are established to identify the existence of assets that, because of their non-monetary nature or lack of liquidity, represent financial resources not available for current appropriation or expenditure or the portion of fund balance that is legally segregated for a specific future use. Fund balances have been reserved for encumbrances, supplies inventory and taxes.

**N. Interfund Transactions**

Quasi-external transactions are accounted for as revenues, 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.

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

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

Total columns on the General Purpose Financial Statements overview are captioned "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.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(Continued)**

**3. COMPLIANCE AND ACCOUNTABILITY**

**A. Fund Deficits**

Fund balances at June 30, 2001, included the following individual fund deficits:

	<b>Deficit Fund Balance</b>
Special Revenue Funds	
Career Education	\$24,066
Adult Vocational Education	109,491
Enterprise Fund Food Service	326,218

The special revenue funds' deficit fund balances resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

In the enterprise fund all assets are contributed by the general fund or permanent improvement fund which when depreciated reduced retained earnings instead of contributed capital. This causes a deficit retained earnings.

**4. BUDGET TO GAAP RECONCILIATION**

**A. Budgetary Basis of Accounting**

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law requires accounting for certain transactions on the basis of cash receipts, disbursements, appropriations and encumbrances. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations.

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual (Budget Basis), All Governmental Fund Types and Expendable Trust Funds and the Combined Statement of Revenues, Expenses and Changes in Fund Equity, Budget and Actual (Budget Basis), All Proprietary Fund Types are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance for governmental fund types or note disclosure for proprietary fund types (GAAP basis).
4. Proceeds from and principal payments on debt obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(Continued)**

**4. BUDGET TO GAAP RECONCILIATION (Continued)**

The adjustments necessary to convert the results of operations for the year ended June 30, 2001 on the GAAP basis to the budget basis are as follows:

**Excess of Revenues and  
Other Financing Sources Over (Under)  
Expenditures and Other Financing Uses**

**Governmental Fund Types and Expendable Trust Funds**

	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Debt Service Fund</b>	<b>Capital Project Fund</b>	<b>Expendable Trust Funds</b>
GAAP Basis	\$252,970	\$348,954	\$0	(\$389,691)	\$ 0
Revenue Accruals	181,113	(40,184)	0	66,615	0
Expenditure Accruals	217,286	33,853	0	108,783	(600)
Encumbrances	(211,822)	(109,158)	0	(465,903)	300
Debt Principal Payments	0	0	0	8,774	0
Debt Interest Payments	0	0	0	4,918	0
Advances In (Out)	(65,739)	64,235	0	1,504	0
Transfers In (Out)	<u>346,901</u>	<u>(346,160)</u>	<u>0</u>	<u>(741)</u>	<u>0</u>
Budget Basis	<u>\$720,709</u>	<u>(\$48,460)</u>	<u>\$0</u>	<u>(\$665,741)</u>	<u>(\$300)</u>

**Net Income /Excess of Revenues Over  
(Under) Expenses and Operating Transfers  
Proprietary Fund Types**

	<b>Enterprise</b>
GAAP Basis (as reported)	(\$14,213)
Adjustments:	
Revenue Accruals	(218)
Donated Commodities	(10,993)
Expense Accruals	16,533
Depreciation	8,891
Transfers	<u>(18,050)</u>
Budget Basis	<u>(\$18,050)</u>

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(Continued)**

**5. DEPOSITS AND INVESTMENTS**

State statutes require the classification of monies held by the School District into three categories.

Category 1 consists of "active" monies, those monies required to be kept in a "cash" or "near-cash" status for immediate use by the District. Such monies must be maintained either as cash in the School Treasury, in depository accounts payable or withdrawals on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Category 2 consists of "inactive" monies, those monies not required for use within the current two-year period of designation of depositories. Inactive monies may be deposited or invested as certificates of deposit maturing not later than the end of the current period of designation of depositories, or as savings or deposit accounts including, but not limited to, passbook accounts.

Category 3 consists of "interim" monies, those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim monies may be invested or deposited in the following securities:

- a. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States.
- b. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Governmental National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.
- c. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days.
- d. 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.
- e. Bonds and other obligations of the State of Ohio.
- f. The State Treasurer's investment pool (STAR Ohio).
- g. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(Continued)**

**5. DEPOSITS AND INVESTMENTS (Continued)**

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

**A. Deposits**

At year end, the carrying amount of the School District's deposits was (\$628,298) and the bank balance was \$194,671. Of the bank balance \$100,000 was covered by federal deposit insurance. The remaining amounts were uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department in the School District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

**B. Investments**

GASB Statement No. 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" requires that the School District's investments be classified in categories of risk. Category 1 includes investments that are insured or registered or for which the securities are held by the District. 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.

	<b>Category 3</b>	<b>Carrying Value</b>	<b>Market Value</b>
Repurchase Agreements	\$5,066,838	\$5,066,838	\$5,066,838

The classification of cash and cash equivalents, and investments on the financial statements is based on criteria set forth in GASB Statement No. 9. Cash equivalents are defined to include investments with original maturities of three months or less.

A reconciliation between classifications of cash and investments on the financial statements and the classifications per GASB Statement No. 3 is as follows:

	<b>Cash and Cash Equivalents/Deposits</b>	<b>Investments</b>
GASB Statement 9	\$4,438,540	\$0
Investments which are part of a cash management pool:		
Repurchase Agreements	<u>(5,066,838)</u>	<u>5,066,838</u>
GASB Statement 3	<u>(\$ 28,298)</u>	<u>\$5,066,838</u>

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(Continued)**

**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 property located in the School 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 taxes are established by State law at 35 percent of appraised market value. All property is required to be revaluated 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 of the current year. Tangible personal property assessments are 25 percent of true value.

Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by July 20.

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 County Treasurer collects property taxes on behalf of all taxing districts in the County, including the Greene County Vocational School District. The County Auditor periodically remits to the District its portion of the taxes collected. The full tax rate for all District operations for the year ended June 30, 2001 was \$3.45 per \$1,000 of assessed value. The assessed values upon which the fiscal year 2001 taxes were collected are as follows:

	<b><u>2000 Second - Half Collections</u></b>	<b><u>2001 First - Half Collections</u></b>
Agricultural/Residential and Other Real Estate	\$2,411,232,982	\$2,378,076,927
Public Utility Personal	165,341,690	163,068,132
Tangible Personal Property	<u>179,120,164</u>	<u>176,657,143</u>
Total	<u>\$2,755,694,836</u>	<u>\$2,717,802,202</u>

Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of June 30, 2001. Although total property tax collections for the next 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 was \$385,061 in the General Fund and \$136,403 in the Permanent Improvement Capital Projects Fund and is recognized as revenue.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(Continued)**

**7. RECEIVABLES**

Receivables at June 30, 2001 consisted of taxes, accounts and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes and the stable condition of State programs.

A summary of the intergovernmental receivables follows:

<b><u>Special Revenue Funds</u></b>	
Adult Vocational Education	\$47,234
Career Education	<u>4,064</u>
Total Special Revenue Funds	<u>51,298</u>
<b><u>Enterprise Fund</u></b>	
Food Service	<u>2,960</u>
Total All Funds	<u>\$54,258</u>

**8. FIXED ASSETS**

Changes in general fixed assets during the fiscal year ended June 30, 2001 were as follows:

<b>Class</b>	<b>Balance June 30, 2000</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2001</b>
Land	\$57,564	\$0	\$0	\$57,564
Buildings and Improvements	4,525,346	63,730	2,842	4,586,234
Equipment	3,075,307	480,898	222,082	3,334,123
Vehicles	144,941	24,370	0	169,311
Construction in Progress	0	1,395,725	0	1,395,725
Total	<u>\$7,803,158</u>	<u>\$1,964,723</u>	<u>\$224,924</u>	<u>\$9,542,957</u>

**9. DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

The Greene County Vocational School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer public employee retirement system administered by the School Employees Retirement System Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code.

SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634 or by calling (614)222-5853.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(Continued)**

**9. DEFINED BENEFIT PENSION PLANS (Continued)**

Plan members are required to contribute 9 percent of their annual covered salary and the Greene County Vocational School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$217,550, \$229,127 and \$229,877, respectively; 100 percent has been contributed for fiscal years 2001, 2000 and 1999.

**B. State Teachers Retirement System**

The Greene County Vocational School 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 System Board. STRS provides basic retirement benefits, disability, survivor and health care benefits based on eligible service credit to members and beneficiaries. 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 for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771 or by calling (614)227-4090.

Plan members are required to contribute 9.3 percent of their annual covered salary and the Greene County Vocational School District is required to contribute 14 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 School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$741,989, \$772,678 and \$753,647, respectively; 100 percent has been contributed for fiscal years 2001, 2000 and 1999.

**10. POSTEMPLOYMENT BENEFITS**

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are 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 the 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. The Retirement Board allocates employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund from which health care benefits are paid. For the fiscal year ended June 30, 2000, the board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. The Health Care Reserve Fund allocation for the year ended June 30, 2001 and after is 4.5% percent of covered payroll. For the School District, this amount equaled \$238,497 during the 2001 fiscal year.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(Continued)**

**10. POSTEMPLOYMENT BENEFITS (Continued)**

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$3.419 billion at June 30, 2000. For the year ended June 30, 2000, net health care costs paid by STRS were \$283,137,000 and STRS had 99,011 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14% contribution is allocated to providing health care benefits. At June 30, 2000, the allocations rate is 8.45%. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the members 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.

Expenses for health care at June 30, 2000, were \$140,696,340 and the target level was \$211.0 million. At June 30, 2000 SERS had net assets available for payment of health care benefits of \$252.3 million. SERS has approximately 50,000 participants currently receiving health care benefits. For the School District, the amount to fund health care benefits, including surcharge, equaled \$142,051 during the 2001 fiscal year.

**11. OTHER EMPLOYEE BENEFITS**

**A. Compensated Absences**

**1. Accumulated Unpaid Vacation**

District classified employees earn vacation leave at varying rates based upon negotiated agreements and State laws. In the case of death or retirement, an employee (or his estate) is paid for his unused vacation leave. The total obligation for vacation leave for the District as a whole amounted to \$50,834 at June 30, 2001.

**2. Accumulated Unpaid Sick Leave**

Sick leave may be accumulated by district employees. Upon retirement, payment is made for one-fourth of the total unused sick leave balance up to a maximum of fifty days for certified employees and forty-five days for classified employees. The total obligation for sick leave accrual for the District as a whole as of June 30, 2001 was \$340,829.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(Continued)**

**12. RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2001, the School District contracted with Indiana Insurance Company for building and property insurance. This policy has a limit of insurance in the amount of \$20,067,340 for property and a \$1,000 deductible. Auto insurance is also covered by Indiana Insurance for replacement cost with a \$250 deductible. General liability insurance is under American Alliance. The base policy has a \$1,000,000 per occurrence and a \$2,000,000 aggregate limit. An additional "umbrella" policy has \$3,000,000 per occurrence and a \$3,000,000 aggregate limit. The superintendent, treasurer and board president are all bonded separately.

The District is a member of the Southwestern Ohio Educational Purchasing Cooperative (SOEPC). The cooperative contracts with Comp Management, Inc. to provide an insurance purchasing pool for workers compensation. The intent of the pool is to achieve the benefit of a reduced premium for the School District by virtue of its grouping an representation with other participants in the pool. 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 pool. Each participant pays its workers compensation premium to the State based on the rate for the pool 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 pool. A participant will then either receive money from or be required to contribute to the pool. This equity pooling arrangement insures that each participant shares equally in the overall performance of the pool. Participation in the pool is limited to school districts that can meet the pool's selection criteria. Comp Management, Inc. provides administrative, cost control and actuarial services to the SOEPC.

The School District has elected to provide employee medical benefits through Anthem. The employees share the cost of the monthly premium with the board for family plans. The board pays 100 percent of a single plan premium and eighty-five percent of a family plan premium.

The School District provides life insurance and dental insurance to employees through Anthem.

**13. CAPITALIZED LEASES - LESSEE DISCLOSURE**

In prior years, the School District has entered into capitalized leases for the acquisition of a copier. A lease was entered into during fiscal year 2000. The terms of the agreement provide options to purchase the equipment. The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service in the Combined Financial Statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

General fixed assets acquired by lease have been capitalized in the general fixed asset account group in an amount equal to the present value of the future minimum lease payments at the time of acquisition. General fixed assets consisting of equipment have been capitalized in the general fixed assets account group in the amount of \$52,108. A corresponding liability was recorded in the general long-term debt account group. Principal payments in fiscal year 2001 totaled \$8,774.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(Continued)**

**13. CAPITALIZED LEASES - LESSEE DISCLOSURE (Continued)**

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2001.

<b>Fiscal Year Ending June 30,</b>	<b>General Long-Term Debt</b>
2002	13,692
2003	13,692
2004	13,692
2005	<u>5,705</u>
Total Minimum Lease Payments	\$46,781
Less: Amount Representing Interest	<u>(8,127)</u>
Present Value of Minimum Lease Payments	<u><u>\$38,654</u></u>

**14. LONG-TERM OBLIGATIONS**

Long term obligations at June 30, 2001 were as follows:

	<b>General Long-Term Obligations</b>			<b>Balance June 30, 2001</b>
	<b>Balance June 30, 2000</b>	<b>Increase</b>	<b>Decrease</b>	
Capital Leases	\$ 47,428	\$ 0	\$ 8,774	\$ 38,654
Compensated Absences	289,962	0	26,898	263,064
State Loan	<u>413,205</u>	<u>500,000</u>	<u>71,761</u>	<u>841,444</u>
Total General Long-Term Obligations	<u><u>\$750,595</u></u>	<u><u>\$500,000</u></u>	<u><u>\$107,433</u></u>	<u><u>\$1,143,162</u></u>

The School District's voted legal debt margin was \$244,602,198 with an unvoted debt margin of \$2,717,802 at June 30, 2001.

The capital lease will be paid from the Permanent Improvement Fund. Compensated absences will be paid from the fund from which the person is paid if the funds are available, otherwise, from the General Fund. The State loaned the District monies to build and equip the Adult Education Building. The loan is interest free and is being repaid with tax monies collected in the Permanent Improvement Fund. An additional state loan was issued during fiscal year 2001 which will also be paid from the Permanent Improvement Fund.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(Continued)**

**14. LONG-TERM OBLIGATIONS (Continued)**

Principal requirements to retire the state loan outstanding at June 30, 2001 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>
2002	\$ 88,427
2003	88,427
2004	88,427
2005	88,427
2006	88,427
2007-11	249,309
2012-16	<u>150,000</u>
Total	<u>\$841,444</u>

**15. INTERFUND ASSETS/LIABILITIES**

Individual fund interfund asset and liability balances at June 30, 2001, were as follows:

**Interfund Receivable/Payable**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Athletic	\$ 4,456
	Career Education	27,067
	Adult Vocational Education	70,000
	Video Distance	1,504
	Children's Trust	4,490
	Adult Basic Education	131
	Vocational Education	43,709
	Title VI	<u>1,488</u>
Total		<u>\$152,845</u>

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(Continued)**

**16. SEGMENT INFORMATION**

The School District maintains an Enterprise fund to account for the operations of food service. The table below reflects in a summarized format the more significant financial data relating to the Enterprise Fund of the District for the fiscal year ended June 30, 2001.

	<b><u>Food Service</u></b>
Operating Revenues	\$221,910
Operating Expenses Before Depreciation	282,479
Depreciation Expense	8,891
Operating Loss	(69,460)
Donated Commodities	10,993
Operating Grants	26,204
Operating Transfer-In	18,050
Net Loss	(14,213)
Net Working Capital	(16,737)
Total Assets	30,595
Total Equity	7,825

**17. CONTRIBUTED CAPITAL**

Contributed capital is recorded in the Food Service Enterprise fund since all assets are purchased with General Fund or Permanent Improvement Fund monies. During fiscal year 2001 the district's general fund contributed \$23,195 in new equipment to the Food Service Fund.

**18. JOINTLY GOVERNED ORGANIZATIONS**

**Miami Valley Educational Computer Association (MVECA)**

The School District is a member and fiscal agent of the Miami Valley Educational Computer Association (MVECA), which is a computer consortium of area school districts sharing computer resources. MVECA is an association of public school districts in a geographical area determined by the Ohio Department of Education. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative instructional functions among member districts. The Board of MVECA consists of one representative from each of the participating members. Each member pays an annual membership fee plus any other fees for services performed by the consortium.

**Southwestern Ohio Educational Purchasing Cooperative**

The School District is a member of the Southwestern Ohio Educational Purchasing Cooperative (SOEPC). The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools within geographical boundaries as defined by the SOEPC and to serve as a resource to member districts on matters related to business operations. The SOEPC elects one of its members as Chairperson and another as Vice-Chairperson. An Executive Committee is comprised of eleven members which include the Chairperson and Vice-Chairperson and a representative from the Fiscal Agent. Each new member pays an initiation fee in addition to the annual membership fee and other appropriate assessments.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(Continued)**

**19. CONTINGENT LIABILITIES**

**A. Grants**

The School District received financial assistance from federal and state agencies in the form of grants. The expenditures of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2001.

**B. Litigation**

The School District's attorney estimates that any potential claims against the District not covered by insurance resulting from all other litigation would not materially affect the financial statements of the District.

**20. SCHOOL FUNDING COURT DECISION**

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is no specified.

Fully funding parity aid no later than the beginning of fiscal year 2004 rather than 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of January 23, 2002, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

On November 2, 2001, the Court granted this motion for reconsideration. The Court may re-examine and redetermine any issue upon such reconsideration.

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(Continued)**

**21. SET ASIDE DISCLOSURE**

The following table represents the District's set-aside calculations for textbooks and capital acquisition. Although the School District had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero, these extra amounts may not be used to reduce the set-aside requirements of future years. Negative amounts are therefore not presented as being carried forward to the next fiscal year.

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>	<u>Totals</u>
Set-aside Cash Balance as of June 30, 2000	\$ 0	\$ 0	\$ 203,400	\$203,400
Reduction in Requirement Based on Revised Legislation	0	0	(128,498)	(128,498)
Current Year Set-aside Requirement	210,251	210,251	0	420,502
Current Year Offsets	0	(1,723,350)	0	(1,723,350)
Qualifying Disbursements	<u>(1,288,035)</u>	<u>0</u>	<u>0</u>	<u>(1,288,035)</u>
Total	<u>(1,077,784)</u>	<u>(1,513,099)</u>	<u>74,902</u>	<u>(2,515,981)</u>
Total Restricted Assets				\$74,902

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2001**

<u>Federal Grantor/ Pass Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Number</u>	<u>Receipts</u>	<u>Non-Cash Receipts</u>	<u>Disbursements</u>	<u>Non-Cash Disbursements</u>
<b>U.S. Department of Agriculture</b>						
<i>(Passed through Ohio Department of Education)</i>						
Nutrition Cluster:						
Food Distribution Program	10.550	N/A		\$11,511		\$12,078
National School Lunch Program	10.555	LL-P4-01	24,893		24,893	
Total U.S. Department of Agriculture - Nutrition Cluster:			24,893	11,511	24,893	12,078
<b>U.S. Department of Labor</b>						
<i>(Passed through Ohio Department of Education)</i>						
Employment Service and Job-Training Pilot and Demonstra	17.249	G2-S2-01P	21,000		22	
Total U.S. Department of Labor			21,000		22	
<b>U.S. Department of Education</b>						
<i>(Passed through Ohio Department of Education)</i>						
Adult Education Basic Grant	84.002	AB-S1-01	109,453		109,453	
Vocational Education Basic Grants to States	84.048	20-C2-01	360,979		301,186	
Goals 2000	84.276	G2-S5-00			29,144	
<i>(Direct Receipt)</i>						
Student Financial Assistance Cluster:						
Supplemental Educational Opportunity Grant	84.007	N/A	29,696		29,696	
Pell Grant	84.063	N/A	170,025		170,025	
Total Student Financial Assistance Cluster			199,721		199,721	
Total U.S. Department of Education			670,153		639,504	
Total Federal Financial Assistance			<u>\$716,046</u>	<u>\$11,511</u>	<u>\$664,419</u>	<u>\$12,078</u>

*See accompanying notes to the Schedule of Federal Awards Expenditures.*

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2001**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - NUTRITION CLUSTER**

Nonmonetary 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. Monies are commingled with State grants. It is assumed federal monies are expended first.



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza  
130 West Second Street  
Suite 2040  
Dayton, Ohio 45402  
Telephone 937-285-6677  
800-443-9274  
Facsimile 937-285-6688  
www.auditor.state.oh.us

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

Greene County Vocational School District  
Greene County  
2960 West Enon Road  
Xenia, Ohio 45385

To the Board of Education:

We have audited the financial statements of Greene County Vocational School District (the District), Greene County, as of and for the year ended June 30, 2001, and have issued our report thereon dated January 23, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated January 23, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the 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 District in a separate letter dated January 23, 2002.

Greene County Vocational School District  
Greene 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

January 23, 2002



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

One First National Plaza  
130 West Second Street  
Suite 2040  
Dayton, Ohio 45402  
Telephone 937-285-6677  
800-443-9274  
Facsimile 937-285-6688  
www.auditor.state.oh.us

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

Greene County Vocational School District  
Greene County  
2960 West Enon Road  
Xenia, Ohio 45385

To the Board of Education:

**Compliance**

We have audited the compliance of Greene County Vocational School District, Greene County, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2001. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the 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 District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2001.

### **Internal Control Over Compliance**

The management of the 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 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.

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

This report is intended for the information and use of 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

January 23, 2002

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .550  
FOR THE YEAR ENDED JUNE 30, 2001**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
--

<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 control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Vocational Education Basic Grants to States- CFDA # 84.048
<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

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT**

**GREENE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 26, 2002**