

GREENE COUNTY VOCATIONAL SCHOOL DISTRICT

GREENE COUNTY

AUDIT REPORT

For the Year Ended June 30, 2014





Dave Yost • Auditor of State

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

We have reviewed the *Report of Independent Auditors* of the Greene County Vocational School District, Greene County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2013 through June 30, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Greene County Vocational School District is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

February 18, 2015

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GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY
AUDIT REPORT
For the Year Ended June 30, 2014

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT AUDITORS

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Greene County Vocational School District (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Greene County Vocational School District as of June 30, 2014, and the respective changes in financial position and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplemental and Other Information

Our audit was conducted to opine on the Greene County Vocational School District's basic financial statements taken as a whole.

The Schedule of Federal Awards Expenditures (the Schedule) presents additional analysis as required by the 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 financial statements.

The schedule is management's responsibility, and derives from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2014 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 grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
December 15, 2014

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(unaudited)**

The discussion and analysis of the Greene County Vocational School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

The key financial highlights for fiscal year 2014 are as follows:

- Total net position increased by \$1,377,631 or 6.4 percent during the year.
- Total assets of governmental activities increased by nearly \$1.1 million, predominately due to an increase in pooled cash and investments.
- Total liabilities and deferred inflows of resources decreased by \$287,633 in total or 2.8 percent. This is mainly due a decrease in deferred inflows of resources as well as a slight decrease in accrued wages and accounts payable at June 30, 2014 compared to one year prior.
- General revenues accounted for \$15.3 million or 91.1 percent of total revenue. Program specific revenues in the form of charges for services and sales and operating grants and contributions account for \$1.5 million or 8.9 percent of total revenues of \$16.8 million.
- The general fund of the School District ended fiscal year 2014 with a fund balance of \$3.8 million, an increase of \$21,165 when compared to that reported for the prior fiscal year. The improving financial condition of the general fund is directly attributable to management's efforts to control expenditures.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Greene County Vocational School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregated view of the School District's finances and a longer-term view of those statements. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. Major funds for the School District include; the general fund (the School District's operating fund) and the permanent improvement fund.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(unaudited)**

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2014?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in that net position. The change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities. Most of the School District's activities are reported as governmental activities. These include, but are not limited to, instruction, support services, operation of non-instructional services, and extracurricular activities. The School District does not have any business-type activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the General and Permanent Improvement Funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds, and therefore only the major funds are presented separate from the other governmental funds.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(unaudited)**

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in government-wide and fund financial report.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position at June 30, 2014 compared to one year prior:

TABLE 1
NET POSITION

	<u>2014</u>	<u>2013</u>
<i>Assets</i>		
Current and Other Assets	\$ 18,354,843	\$ 16,777,751
Capital Assets	<u>14,575,176</u>	<u>15,062,270</u>
Total Assets	<u>32,930,019</u>	<u>31,840,021</u>
<i>Liabilities:</i>		
Long-term Liabilities	403,583	535,945
Other Liabilities	<u>1,662,703</u>	<u>1,687,679</u>
Total Liabilities	<u>2,066,286</u>	<u>2,223,624</u>
<i>Deferred Inflows of Resources:</i>		
Property Taxes not Levied to Finance		
Current Year Operations	<u>7,978,391</u>	<u>8,108,686</u>
Total Deferred Inflows of Resources:	<u>7,978,391</u>	<u>8,108,686</u>
<i>Net Position:</i>		
Net investment in capital assets	14,525,173	14,978,934
Restricted	4,843,555	3,091,779
Unrestricted	<u>3,516,614</u>	<u>3,436,998</u>
Total Net Position	<u>\$ 22,885,342</u>	<u>\$ 21,507,711</u>

The amount by which the School District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources is called net position. As of June 30, 2014, the net position of the School District was \$22.9 million. Of that amount, approximately \$14.5 million was the School District's investment in capital assets, net of debt related to those assets. Another \$4.8 million was subject to external restrictions upon its use. The remaining unrestricted net position of \$3.5 million is available to management of the School District to allocate in a manner they deem appropriate to meet its

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(unaudited)**

operating obligations. The School District continued to report an improved financial condition at the end of fiscal year 2014.

Total assets reported at June 30, 2014 increased by nearly \$1.1 million from those reported one year prior. The decrease in net capital assets (\$487,094) resulted from current year depreciation exceeding the capital asset additions for the fiscal year. The decrease in net capital assets was more than offset by the increase in cash on hand reported at year end. The ending cash increased over that reported for the prior fiscal year as a result of revenues exceeding expenses for fiscal year 2014.

The total liabilities and deferred inflows of resources decreased by \$157,338 and \$130,295, respectively during the fiscal year; long-term liabilities decreased by \$132,362, due to principal payments on the state loan and the change in compensated absences accrued at fiscal year-end. The other liabilities decreased by \$24,976 mainly due to a decrease in accrued wages and accounts payable as of fiscal year end compared to prior year.

Table 2 shows the changes in net position for fiscal years 2014 and 2013.

TABLE 2
CHANGES IN NET POSITION

	<u>2014</u>	<u>2013</u>
<i>Revenues:</i>		
Program Revenues:		
Charges in Services	\$ 869,567	\$ 1,003,948
Operating Grants & Contributions	634,999	722,651
Capital Grants & Contributions	-	1,971,598
General Revenues:		
Property taxes	9,458,316	9,081,695
Grants & Entitlements	5,669,055	3,623,911
Other	210,983	268,425
Total Revenues	<u>16,842,920</u>	<u>16,672,228</u>
<i>Program Expenses:</i>		
Instruction	8,921,015	8,732,249
Support Services:		
Pupils and Instructional Staff	2,074,433	2,826,915
Board of Education, Administration, and Fiscal	2,070,541	2,047,005
Plant Operation and Maintenance	1,647,711	1,330,221
Pupil Transportation	7,214	-
Central	414,430	250,737
Operation of Non-Instructional Services	260,002	297,738
Extracurricular Activities	69,943	63,794
Total Expenses	<u>15,465,289</u>	<u>15,548,659</u>
<i>Change in Net Position</i>	1,377,631	1,123,569
<i>Beginning Net Position</i>	<u>21,507,711</u>	<u>20,384,142</u>
<i>Ending Net Position</i>	<u>\$ 22,885,342</u>	<u>\$ 21,507,711</u>

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(unaudited)**

As shown in Table 2, \$15.3 million, or 91.1 percent, of the School District's total revenue is derived from general revenues, essentially property taxes and state entitlement programs. Overall, total revenue increased \$170,692, or 1.0 percent, compared with fiscal year 2013 amounts. Higher than expected tax receipts during the year resulted in property tax revenues increasing by \$376,621 (4.1 percent) over those reported for the prior year. The decrease reported in charges for services resulted from tuition and fees revenues being \$160,000 less than those reported in the prior year. The decrease in operating and capital grants and contribution was nearly equal to the increase reported for unrestricted grants and entitlement revenue due to reclassifying how certain revenue sources are reported beginning in fiscal year 2014.

Total expenses of the School District reported for fiscal year 2014 remained consistent with those of those reported for the prior year, decreasing by 0.5 percent, or \$83,370.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the net cost of services for fiscal years 2014 and 2013.

TABLE 3
NET (EXPENSE) REVENUE OF SERVICE

	<u>2014</u>	<u>2013</u>
Instruction	\$ (8,023,074)	\$ (6,144,045)
Support Services:		
Pupils and Instructional Staff	(1,662,787)	(2,254,111)
Board of Education, Administration, and Fiscal	(2,032,497)	(1,934,899)
Plant Operation and Maintenance	(1,647,711)	(1,193,639)
Pupil Transportation	(7,214)	-
Central	(414,430)	(218,895)
Operation of Non-Instructional Services	(136,210)	(74,889)
Extracurricular Activities	(36,800)	(29,984)
Total Net Cost of Service	<u>\$ (13,960,723)</u>	<u>\$ (11,850,462)</u>

The majority of the services offered by the School District are classified as instructional services, therefore a significant portion of the charges for services (tuition and fees) charged to member districts are reported as program revenue associated with these particular functions of expenses. It should be noted, that while some programs are classified as vocational education, the majority of the expenses related to these program (primarily personnel costs) are instructional support personnel and are therefore reported in the support services categories. Intergovernmental grants restricted to educational programs also provide revenue which can be directly related to these expense categories.

The remaining expense categories are used to capture costs related to the general operation and management of the School District. As there are very few revenue sources which are directly related to these expense categories, they are almost entirely financed through general revenues (property taxes, state foundation funding, interest earnings and other miscellaneous revenue). Depreciation expense is charged to the function utilizing the corresponding capital asset.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(unaudited)**

In general, Table 3 indicates approximately 9.7 percent of the School District's expenses are funded through charges for services, tuition, and operating grants and contributions; the remaining 90.3 percent is funded through general revenues, including tax revenue, state foundation and interest earnings.

The School District's Funds

The School District reports two major funds, the General Fund and the Permanent Improvement Fund. All funds are classified as governmental funds and are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$16.9 million and expenditures of \$15.1 million. The net increase in fund balance of \$1.8 million resulted in an overall fund balance of \$8.5 million for all governmental funds, of which \$3.8 million was reported in the General Fund. Included in the General Fund's ending fund balance, \$63,120 pertained to inventory and prepaid items and therefore classified as non-spendable. Another \$60,623 has been assigned for specific purposes. The remaining \$3.7 million of the General Fund's ending fund balance was unassigned and is available for future appropriations as deemed appropriate by the Governing Board. The ending unassigned fund balance reported for the General Fund at year-end represents 28.9 percent of the total General Fund expenditures reported for the year.

The School District's other major fund, the Permanent Improvement Fund, reported revenues of \$2.3 million and expenditures of just under \$600,000 resulting in an ending fund balance of \$4.7 million at June 30, 2014. For the year, fund balance increased by \$1.8 million compared with the \$1.0 million increase in fund balance reported for the prior year due mainly to fiscal year 2014 total expenditures of the fund being nearly \$718,000 less than the prior year. Certain capital projects and purchases occurring in fiscal year 2013 did not occur again during the current fiscal year.

General Fund Budgeting Highlights

The School District's budget is prepared in accordance with Ohio law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

Differences between the original budget and the final amended budget were relatively minor. The original revenue estimate was \$32,000 less than the final revenue estimate. The School District's actual budgeted expenditures and other financing uses (includes encumbrances) were \$279,747 less than the final appropriations at fiscal year-end. The actual revenue exceeded the final estimated revenue by \$109,006 at fiscal year-end.

Capital Assets

The School District's investment in capital assets as of June 30, 2014, amounted to \$14.6 million, net of accumulated depreciation. This investment in capital assets includes land, land improvements, buildings, machinery and equipment, and vehicles. During fiscal year 2014, the School District reported capital asset additions of \$59,762 and depreciation expense totaling \$546,576.

See Note 8 of the notes to the basic financial statements for additional information on the School District's capital assets.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(unaudited)**

Debt Administration

At June 30, 2014, the long-term obligations of the School District consisted solely of a state loan that had a balance of \$50,003, with \$33,333 of the outstanding balance due to mature within the subsequent fiscal year. During fiscal year 2014 the School District's principal payments were \$33,333. See Note 9 to the notes to the basic financial statements for additional information regarding debt obligations of the School District.

Under current State statutes, the School District's general obligation bonded debt issues are subject to a legal limitation based on 9 percent of the total assessed value of real and personal property. At June 30, 2014, the School District's general obligation debt was below the legal limit.

Contacting the School District's Financial Management

This financial report is designed to provide an overview of the School District's finances. If you have questions about this report or need additional financial information, contact Eva Anderson, Treasurer, Greene County Career Center, 2960 West Enon Road, Xenia, Ohio 45385.

GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO

Statement of Net Position
June 30, 2014

	Governmental Activities
ASSETS:	
Equity in Pooled Cash and Investments	\$ 9,141,298
Materials and Supplies Inventory	59,399
Property Taxes Receivable	9,020,440
Accounts Receivable	27,738
Intergovernmental Receivable	102,247
Prepaid Items	3,721
Capital Assets:	
Non Depreciable Assets	315,028
Depreciable Assets	14,260,148
Total Assets	32,930,019
LIABILITIES:	
Accounts Payable	111,355
Accrued Wages and Benefits	1,262,987
Intergovernmental Payable	263,222
Matured Compensated Absences	25,139
Noncurrent Liabilities:	
Due Within One Year	91,310
Due In More Than One Year	312,273
Total Liabilities	2,066,286
DEFERRED INFLOWS OF RESOURCES:	
Property Taxes not Levied to Finance Current Year Operations	7,978,391
Total Deferred Inflows of Resources	7,978,391
NET POSITION:	
Net investment in capital assets	14,525,173
Restricted for:	
Debt Service	27,547
Capital Outlay	4,750,977
Other purposes	65,031
Unrestricted	3,516,614
Total Net Position	\$ 22,885,342

See accompanying notes to the basic financial statements.

GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO

Statement of Activities
For the Fiscal Year Ended June 30, 2014

Functions/Programs:	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$ 1,038,621	\$ -	\$ -	\$ (1,038,621)
Vocational	7,084,340	72,885	166,334	(6,845,121)
Adult	798,054	469,758	188,964	(139,332)
Support Services:				
Pupils	1,023,202	-	251,924	(771,278)
Instructional Staff	1,051,231	133,945	25,777	(891,509)
Board of Education	754,219	-	-	(754,219)
Administration	868,111	38,044	-	(830,067)
Fiscal	448,211	-	-	(448,211)
Operation and Maintenance of Plant	1,647,711	-	-	(1,647,711)
Pupil Transportation	7,214	-	-	(7,214)
Central	414,430	-	-	(414,430)
Non-instructional Services	260,002	123,792	-	(136,210)
Extracurricular Activities	69,943	31,143	2,000	(36,800)
Total	\$ 15,465,289	\$ 869,567	\$ 634,999	(13,960,723)
General Revenues:				
Property Taxes Levied for:				9,458,316
Grants, Entitlements and Contributions not Restricted to Specific Programs				5,669,055
Investment Earnings				12,360
Miscellaneous				198,623
			Total General Revenues	15,338,354
Change in Net Position				1,377,631
Net Position, Beginning of Year				21,507,711
Net Position, End of Year				\$ 22,885,342

See accompanying notes to the basic financial statements.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:				
Equity in Pooled Cash and Investments	\$ 4,519,608	\$ 4,534,541	\$ 87,149	\$ 9,141,298
Receivables:				
Property Taxes	6,874,790	2,112,650	33,000	9,020,440
Accounts	23,734	-	4,004	27,738
Intergovernmental	30,655	-	71,592	102,247
Materials and Supplies Inventory	59,399	-	-	59,399
Prepaid Items	<u>3,721</u>	<u>-</u>	<u>-</u>	<u>3,721</u>
 Total Assets	 <u>\$ 11,511,907</u>	 <u>\$ 6,647,191</u>	 <u>\$ 195,745</u>	 <u>\$ 18,354,843</u>
LIABILITIES:				
Accounts Payable	\$ 108,294	\$ 840	\$ 2,221	\$ 111,355
Accrued Wages and Benefits	1,129,419	-	133,568	1,262,987
Intergovernmental Payable	240,305	-	22,917	263,222
Matured Compensated Absences	<u>25,139</u>	<u>-</u>	<u>-</u>	<u>25,139</u>
 Total Liabilities	 <u>1,503,157</u>	 <u>840</u>	 <u>158,706</u>	 <u>1,662,703</u>
DEFERRED INFLOWS OF RESOURCES:				
Property Taxes not Levied to Finance Current Year Operations	6,050,017	1,895,374	33,000	7,978,391
Unavailable Revenue	<u>140,676</u>	<u>31,294</u>	<u>21,251</u>	<u>193,221</u>
 Total Deferred Inflows of Resources	 <u>6,190,693</u>	 <u>1,926,668</u>	 <u>54,251</u>	 <u>8,171,612</u>
FUND BALANCES:				
Nonspendable:				
Inventory	59,399	-	-	59,399
Prepaid Items	3,721	-	-	3,721
Restricted for:				
Capital Improvements	-	4,719,683	-	4,719,683
Debt	-	-	27,547	27,547
State and Local Grants	-	-	38,115	38,115
District Managed Activities	-	-	15,945	15,945
Other Purposes	-	-	3	3
Assigned for:				
Subsequent Expenditures	60,623	-	-	60,623
Unassigned	<u>3,694,314</u>	<u>-</u>	<u>(98,822)</u>	<u>3,595,492</u>
 Total Fund Balances	 <u>3,818,057</u>	 <u>4,719,683</u>	 <u>(17,212)</u>	 <u>8,520,528</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$ 11,511,907</u>	 <u>\$ 6,647,191</u>	 <u>\$ 195,745</u>	 <u>\$ 18,354,843</u>

See accompanying notes to the basic financial statements.

GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO

Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
June 30, 2014

Total Governmental Fund Balances	\$ 8,520,528
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.	14,575,176
Certain other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	
Accounts Receivable	21,886
Intergovernmental grants receivable	21,252
Property Taxes Receivable	150,083
Long-term liabilities which are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences payable	(353,580)
Loans Payable	<u>(50,003)</u>
Net Position of Governmental Activities	\$ <u>22,885,342</u>

See accompanying notes to the basic financial statements.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2014

	General Fund	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Property Taxes	\$ 7,442,543	\$ 1,986,692	\$ 33,333	\$ 9,462,568
Intergovernmental	5,223,764	330,832	786,072	6,340,668
Tuition and Fees	43,748	-	646,547	690,295
Charges for Services	-	-	20,891	20,891
Interest	12,305	55	-	12,360
Extracurricular Activities	-	-	31,483	31,483
Customer Services and Sales	46,525	-	102,901	149,426
Gifts and Donations	-	-	2,000	2,000
Miscellaneous	166,498	31,886	239	198,623
Total Revenues	12,935,383	2,349,465	1,623,466	16,908,314
EXPENDITURES:				
Current:				
Instruction:				
Regular	1,035,844	-	2,791	1,038,635
Vocational	6,542,339	430,114	143,016	7,115,469
Adult	-	61,102	713,553	774,655
Support Services:				
Pupils	759,008	-	300,502	1,059,510
Instructional Staff	848,221	21,085	199,029	1,068,335
Board of Education	754,219	-	-	754,219
Administration	833,712	2,123	38,450	874,285
Fiscal	441,606	13,465	-	455,071
Business	1,143,665	68,551	-	1,212,216
Operation and Maintenance of Plant	7,214	-	-	7,214
Central	381,008	1,814	25,000	407,822
Operation of Non-Instructional Services	-	840	239,010	239,850
Extracurricular Activities	34,309	-	35,634	69,943
Debt Service:				
Principal	-	-	33,333	33,333
Total Expenditures	12,781,145	599,094	1,730,318	15,110,557
Revenues Over/(Under) Expenditures	154,238	1,750,371	(106,852)	1,797,757
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	133,073	133,073
Transfers Out	(133,073)	-	-	(133,073)
Total Other Financing Sources (Uses)	(133,073)	-	133,073	-
Net Change in Fund Balances	21,165	1,750,371	26,221	1,797,757
Fund Balance, Beginning of Year	3,796,892	2,969,312	(43,433)	6,722,771
Fund Balance, End of Year	\$ 3,818,057	\$ 4,719,683	\$ (17,212)	\$ 8,520,528

See accompanying notes to the basic financial statements.

GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2014

Total Net Change in Fund Balances - Total Governmental Funds	\$ 1,797,757
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense and report a gain or loss on the disposal of capital assets. In the current period, these amounts are:	
Current Year Depreciation	(546,576)
Capital Asset Additions	59,762
Loss on Capital Assets	(280)
Revenue reported in the statement of activities that does not provide current financial resources are not reported as revenue in the funds.	
Property Taxes	(4,253)
Intergovernmental	(60,498)
Tuition and Fees	(643)
Repayment of long-term obligation principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the statement of net position.	
Loans Payable	33,333
Long-term compensated absences are reported as expenses in the statement of activities; however, as these long-term obligations payable do not require the use of current financial resources, they are not reported as expenditures in the governmental funds.	
	<u>99,029</u>
Change in Net Position of Governmental Activities	\$ <u>1,377,631</u>

See accompanying notes to the basic financial statements.

GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO

Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP) and Actual
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Property Taxes	\$ 7,278,798	\$ 7,297,369	\$ 7,360,632	\$ 63,263
Intergovernmental	5,191,795	5,205,041	5,250,165	45,124
Tuition and Fees	42,506	42,615	42,984	369
Interest	13,108	13,141	13,255	114
Miscellaneous	15,647	15,687	15,823	136
<i>Total Revenues</i>	<u>12,541,854</u>	<u>12,573,853</u>	<u>12,682,859</u>	<u>109,006</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction	923,176	1,042,932	1,028,364	14,568
Vocational Instruction	6,808,490	6,587,115	6,445,612	141,503
Support Services:				
Pupils	738,982	767,763	756,622	11,141
Instructional Staff	1,287,182	893,943	875,572	18,371
Board of Education	535,444	941,978	938,576	3,402
Administration	802,521	797,944	784,792	13,152
Fiscal	502,887	447,909	433,041	14,868
Operation and Maintenance of Plant	1,153,096	1,171,952	1,153,941	18,011
Central	251,932	376,590	374,712	1,878
Extracurricular Activities	35,364	40,861	34,363	6,498
<i>Total Expenditures</i>	<u>13,039,074</u>	<u>13,068,987</u>	<u>12,825,595</u>	<u>243,392</u>
Excess of Revenues Over (Under) Expenditures	(497,220)	(495,134)	(142,736)	352,398
<u>Other Financing Sources (Uses):</u>				
Transfers Out	(200,000)	(170,088)	(133,733)	36,355
<i>Total Other Financing Sources (Uses)</i>	<u>(200,000)</u>	<u>(170,088)</u>	<u>(133,733)</u>	<u>36,355</u>
Net Change in Fund Balance	(697,220)	(665,222)	(276,469)	388,753
Fund Balance, Beginning of Year	4,471,019	4,471,019	4,471,019	-
Prior Year Encumbrances Appropriated	23,900	23,900	23,900	-
Fund Balance, End of Year	<u>\$ 3,797,699</u>	<u>\$ 3,829,697</u>	<u>\$ 4,218,450</u>	<u>\$ 388,753</u>

See accompanying notes to the basic financial statements.

GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO

Statement of Fiduciary Net Position
June 30, 2014

	Private Purpose Trust Fund	Agency Fund
ASSETS:		
Equity in Pooled Cash and Cash Equivalents	\$ 3,273	\$ 33,399
Receivables:		
Accounts	<u>-</u>	<u>1,330</u>
Total Assets	<u>3,273</u>	<u>34,729</u>
 LIABILITIES:		
Due to Students	<u>-</u>	<u>34,729</u>
Total Liabilities	<u>-</u>	<u>\$ 34,729</u>
 NET POSITION:		
Held in Trust for Scholarships	<u>3,273</u>	
Total Net Position	<u>\$ 3,273</u>	

See accompanying notes to the basic financial statements.

GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2014

	<u>Private Purpose Trust Fund</u>
Additions:	
Gifts and Donations	<u>\$ 1,000</u>
Total Additions	<u>1,000</u>
 Changes in Net Position	 <u>1,000</u>
 Net Position at Beginning of Year	 <u>2,273</u>
 Net Position at End of Year	 <u>\$ 3,273</u>

See accompanying notes to the basic financial statements.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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 School District's instructional/support facilities staffed by 117 employees. There are 73 certificated employees and 34 classified support staff including 10 administrators, who provide services to 2,413 secondary and adult education students and other community members.

Reporting Entity

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

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

The School District is associated with two organizations that are defined as jointly governed. These organizations are the Miami Valley Educational Computer Association and the Southwestern Ohio Educational Purchasing Council. These organizations are described in Note 15 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of 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 more significant of the School District's accounting policies are described below.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements:

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The School District, however, has no activities which are reported as business-type.

The statement of net position presents the financial condition of the governmental activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid 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. The School District divides its funds into two categories: governmental and fiduciary.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Funds:

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The following are the School District's major governmental funds:

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

Permanent Improvement Fund – The Permanent Improvement Fund is used to account for restricted financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by trust funds.

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

Fiduciary Funds:

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District fiduciary funds are Private Purpose Trust Funds and Agency Funds. The Private Purpose Trust Fund accounts for scholarship programs for students. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The School District's agency fund accounts for pre-paid lunch fees, student loans, as well as, student activities which consist of a student body, student president, student treasurer, and faculty advisor.

C. Measurement Focus

Government-wide Financial Statements:

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the School District are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements:

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

D. Basis of Accounting

The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the financial statements of the fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources are collectible within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, tuition, student fees, grants, and interest.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The School District has no deferred outflows of resources.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2014, but which were not levied to finance fiscal year 2014 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District unavailable revenue includes delinquent property taxes, tuition and fees, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

Expenses/Expenditures:

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

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

E. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

During fiscal year 2014, the School District invested in STAR Ohio. Investments are reported at fair value which is based on quoted market prices.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2014.

Following Ohio Statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2014 amounted to \$12,305; \$234 was assigned from other School District funds.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash and cash equivalents.

F. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expensed / expensed when used. Inventory consists of expendable supplies held for consumption and purchased and donated food held for resale.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2014, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed.

H. Capital Assets

The School District's only capital assets are general capital assets. General capital assets are those assets specifically related to governmental activities. General capital assets usually result from expenditures in the governmental funds.

These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement costs back to the year of acquisition) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets less salvage value. The salvage value is calculated at 5% of the cost or estimated historical cost. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Useful Life</u>
Buildings	50
Building Improvements	20 - 25
Land Improvements	5 - 7
Machinery and Equipment	4 - 20
Vehicles	3 - 10

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Long-term loans that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

J. Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the School District's termination policy. The entire compensated absences liability is reported on the government-wide financial statements.

K. Net Position

Net position represents the difference between assets and liabilities. The net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources for food service operations, and federal and state grants restricted to expenditures for specified purposes.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

L. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Nonspendable

The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted

Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed

The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Education. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned

Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

Unassigned

Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Interfund Activity

Transfers within governmental activities are eliminated on the government-wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

N. Estimates

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

O. Budgetary Process

All funds, other than the agency fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of budgetary control has been established by the Board of Education at the fund level only. Any budgetary modifications at this level may only be made by resolution of the Board of Education. Advances-in and advances-out are not required to be budgeted since they represent a cash flow resource and are intended to be repaid. The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the certificate that was in effect at the time the final appropriations were passed by the Board of Education.

The appropriation resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year, including all supplemental appropriations.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 3 – ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At June 30, 2014, the Adult Vocational Education, Career Education Fund, Vocational Education and Title VI Drug Free funds had deficit fund balances of \$88,622, \$102, \$10,096 and \$2 respectively. The deficits in these funds are due to adjustments for accrued liabilities which generate expenditures that are greater than those recognized on a cash basis. The General Fund is liable for the deficits and provides operating transfers when cash is required, not when accruals occur.

B. Change in Accounting Principles

For fiscal year 2014, the School District implemented Governmental Accounting Standard Board (GASB) Statements No. 66, “Technical Corrections – 2012” and No. 70, “Accounting and Financial Reporting for Nonexchange Financial Guarantees”. GASB Statement No. 66 changes the requirement to account for risk financing (self-insurance) within the general or internal service fund, changes the determination of the carrying value of purchased loans or group of loans, and modified the manner in which service fees should be reported on mortgage loans sold. GASB Statement No. 70 establishes reporting standards for nonexchange financial guarantee and to recognize a liability when qualitative factors and historical data indicate the government will more than likely be required to make a payment on the guarantee. The implementation of these Statements did not impact the Vocational School District’s beginning net cash position for fiscal year 2014.

In addition, GASB Statement No. 68, “Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27”, has been issued by the GASB but is not required to be implemented by the School District until fiscal year 2015. Management has not yet determined the impact this new standard will have on the School District’s financial statements.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the School District is 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 is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget (non-GAAP basis) and actual for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the fund liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balance (GAAP).
4. Advances are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (continued)

5. Some funds are included in the general fund (GAAP), but have separate legally adopted budgets (budget).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

<u>Net Change in Fund Balance</u>	
<u>General Fund</u>	
GAAP Basis	\$ 21,165
Revenue Accruals	(53,614)
Expenditure Accruals	(28,726)
Encumbrances	(159,389)
Budget Perspective Difference	<u>(55,905)</u>
 Budget Basis	 <u>\$ (276,469)</u>

NOTE 5 – DEPOSITS AND INVESTMENTS

Monies held by the School District are classified by State statute into three categories. Active monies are public monies determined to be necessary to meet current demands upon the School District treasury.

Active monies must be maintained either as cash in the School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

Interim monies held by the School District may be deposited or invested in the following securities:

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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. Investments may only be made through specified dealers and institutions.

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

A. Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year-end, the carrying amount of the School District's deposits was \$813,644 and the bank balance was \$880,199. Of the bank balance \$250,255 was covered by federal deposit insurance and the remaining \$629,944 was not exposed to custodial credit risk.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged and deposited either with the District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledge to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

B. Investments

As of June 30, 2014, the School District's only investment was in STAR Ohio. As of June 30, 2014 the fair value of the investments totaled \$8,364,326.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk – The School District has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity. STAR Ohio has an average maturity of less than one year.

Credit Risk – The School District’s investment policy limits investments to those authorized by State statute. STAR Ohio carries a rating of AAAM by Standard and Poor’s. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

Concentration of Credit Risk – The School District places no limit on the amount it may invest in any one issuer. However, State statute limits investments in commercial paper and bankers’ acceptance to 25 percent of the interim monies available for investment at any one time.

NOTE 6 – PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2014 represents collections of calendar year 2013 taxes. Real property taxes received in calendar year 2014 were levied after April 1, 2013, on the assessed value listed as of January 1, 2013, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2014 represents collections of calendar year 2013 taxes. Public utility real and personal property taxes received in calendar year 2014 became a lien December 31, 2012, were levied after April 1, 2013 and are collected in 2014 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2013 (other than public utility property tax) represents the collection of 2014 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2013 were levied after October 1, 2013, on the value as of December 31, 2012. Payments 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. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 6 – PROPERTY TAXES (continued)

The School District receives property taxes from Clark, Clinton, Fayette, Greene, Montgomery and Warren Counties. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2014 are available to finance fiscal year 2014 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents the real property, public utility property, and tangible personal property taxes which were measurable as of June 30, 2014, and for which there was an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

The amount available as an advance at June 30, 2014 was \$705,983 in the General Fund and \$185,982 in the Permanent Improvement Fund. The amount available as an advance at June 30, 2013 was \$624,072 in the General Fund and \$170,189 in the Permanent Improvement Fund.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is recorded as a deferred inflow.

The assessed valuations upon which fiscal year 2014 taxes were collected are as follows:

	<u>2013 2nd Half Collections</u>	<u>Percent</u>	<u>2014 1st Half Collections</u>	<u>Percent</u>
Real Estate	\$ 3,795,581,710	97.00%	\$ 3,897,132,280	97.20%
Public Utility Personal	<u>116,940,880</u>	3.00%	<u>111,615,590</u>	2.80%
Total Assessed Valuation	<u>\$ 3,912,522,590</u>		<u>\$ 4,008,747,870</u>	

NOTE 7 – RECEIVABLES

Receivables at June 30, 2014 consisted of accrued interest, accounts (tuition and student fees), interfund, intergovernmental grants and property taxes. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 7 – RECEIVABLES (continued)

A summary of the intergovernmental receivables follows:

	<u>Receivable</u>
Casino Revenue	\$ 30,655
Workforce Investment Act (WIA)	3,941
Carl Perkins Grant	5,485
Agriculture Education Grant	62,166
Total Intergovernmental Receivable	<u>\$ 102,247</u>

NOTE 8 – CAPITAL ASSETS

Changes in capital assets during the fiscal year ended June 30, 2014 were as follows:

	<u>Balance 7/1/2013</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance 6/30/2014</u>
<u>Capital Assets, not depreciated:</u>				
Land	\$ 315,028	\$ -	\$ -	\$ 315,028
Total Capital Assets, not depreciated:	<u>315,028</u>	<u>-</u>	<u>-</u>	<u>315,028</u>
 <u>Capital Assets, being depreciated</u>				
Land Improvements	1,632,553	8,000		1,640,553
Buildings	17,891,532	14,500		17,906,032
Machinery and Equipment	2,096,779	37,262	(5,500)	2,128,541
Vehicles	176,744	-	-	176,744
	<u>21,797,608</u>	<u>59,762</u>	<u>(5,500)</u>	<u>21,851,870</u>
 <u>Less: Accumulated Depreciation</u>				
Land Improvements	(367,688)	(29,218)	-	(396,906)
Buildings	(5,029,176)	(446,138)		(5,475,314)
Machinery and Equipment	(1,547,218)	(61,123)	5,220	(1,603,121)
Vehicles	(106,284)	(10,097)	-	(116,381)
	<u>(7,050,366)</u>	<u>(546,576) *</u>	<u>5,220</u>	<u>(7,591,722)</u>
Depreciable Capital Assets, Net	<u>14,747,242</u>	<u>(486,814)</u>	<u>(280)</u>	<u>14,260,148</u>
Total Capital Assets, Net	<u>\$ 15,062,270</u>	<u>\$ (486,814)</u>	<u>\$ (280)</u>	<u>\$ 14,575,176</u>

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 8 – CAPITAL ASSETS (continued)

*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 939
Vocational	34,127
Support Services:	
Instructional Support	10,661
Administration	7,673
Operation & Maintenance of Plant	473,024
Non-instructional Services	<u>20,152</u>
Total Depreciation Expense	<u>\$ 546,576</u>

NOTE 9 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2014 were as follows:

	Balance 7/1/2013	Increase	Decrease	Balance 6/30/2014	Due within One Year
State Loans, 0%	\$ 83,336	\$ -	\$ 33,333	\$ 50,003	\$ 33,333
Compensated Absences	<u>452,609</u>	<u>49,624</u>	<u>148,653</u>	<u>353,580</u>	<u>57,977</u>
Total Long-Term Obligations	<u>\$ 535,945</u>	<u>\$ 49,624</u>	<u>\$ 181,986</u>	<u>\$ 403,583</u>	<u>\$ 91,310</u>

The School District received a State Construction loan to finance permanent improvement projects. The loan is being repaid with tax monies collected in the Debt Service Fund. Compensated absences will be paid from the General Fund.

Under current state statutes, the School District's general obligation bonded debt issues are subject to a legal limitation based on 9% of the total value of real and personal property. At June 30, 2014, the School District's general obligation debt was below the legal limit.

Principal requirements to retire the state loan outstanding at June 30, 2014 are as follows:

Fiscal Year Ending June 30,	
2015	\$ 33,333
2016	<u>16,670</u>
Total	<u>\$ 50,003</u>

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 10 – DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

Plan Description – The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Funding Policy – Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14% 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 Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year ending June 30, 2014, the allocation to pension and death benefits is 13.1%. The remaining .9% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2014, 2013, and 2012 were \$254,936, \$224,960, and \$226,535, respectively. For fiscal year 2014, 91.41 percent has been contributed with the balance being reported as intergovernmental payables. The full amount has been contributed for fiscal years 2013 and 2012.

B. State Teachers Retirement System of Ohio

Plan Description – The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad Street, Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 9.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

Funding Policy – For the fiscal year ended June 30, 2014, plan members were required to contribute 11 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2013, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 11 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2014, 2013, and 2012 were \$941,499, \$845,403, and \$857,759, respectively. For fiscal year 2014, 83.96 percent has been contributed with the balance being reported as intergovernmental payables. The full amount has been contributed for fiscal years 2013 and 2012.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2014, five members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages.

NOTE 11 – POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description – The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by SERS based on authority granted by State statute. Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 11 – POSTEMPLOYMENT BENEFITS (continued)

Code Section 401h. For 2014, 0.14 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for fiscal year 2014, this amount was \$20,250.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status. The School District's contributions for health care for the fiscal years ended June 30, 2014, 2013, and 2012 were \$9,903, \$9,123, and \$37,843, respectively. For fiscal year 2014, 91.41 percent has been contributed with the balance being reported as intergovernmental payables. The full amount has been contributed for fiscal years 2013 and 2012.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For 2014, this actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2014, 2013, and 2012 were \$13,839, \$12,708, and \$13,378, respectively. For fiscal year 2014, 91.41 percent has been contributed with the balance being reported as intergovernmental payables. The full amount has been contributed for fiscal years 2013 and 2012.

B. State Teachers Retirement System of Ohio

Plan Description – The School District contributes to the cost-sharing, multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2014, STRS Ohio allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2014, 2013, and 2012 were \$67,250, \$65,031, and \$65,981, respectively. For fiscal year 2014, 83.96 percent has been contributed with the balance being reported as intergovernmental payables. The full amount has been contributed for fiscal years 2013 and 2012.

NOTE 12 – RISK MANAGEMENT

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2014, the School District contracted with Governmental Underwriters of America, Inc. (GUA) for property, general liability and automobile insurance.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 12 – RISK MANAGEMENT (continued)

Coverage provided by GUA is as follows:

Buildings and Contents – replacement costs (\$1,000 deductible)	\$37,331,586
Automobile Liability	1,000,000
School Errors and Omissions Liability (\$2,500 deductible)	
Per Occurrence	1,000,000
Total Per Year	3,000,000
General Liability:	
Per Occurrence	1,000,000
Total Per Year	3,000,000
Umbrella Liability	5,000,000

There have been no significant reductions in insurance coverage from last year. Settled claims have not exceeded commercial coverage in any of the past three years.

B. Workers Compensation

For fiscal year 2014, the School District participated in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping its representation with other participants in the GRP. The workers compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. Hunter Consulting Company provides administrative, cost control and actuarial services to the GRP.

NOTE 13 – OTHER BENEFITS

A. Compensated Absences

Accumulated Unpaid Vacation - School 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.

Accumulated Unpaid Sick Leave - Sick leave may be accumulated by School District employees. Upon retirement, payment is made for one-fourth of the total unused sick leave balance up to a maximum of 70 days for certified employees and 65 days for classified employees.

B. Insurance Benefits

The School District has elected to provide employee medical benefits through United Health Care. Employees share the cost of the monthly premium with the Board. The Board pays ninety percent of a single plan premium and eighty-five percent of a family plan premium. The Board pays seventy five percent of single or family plan premiums for vision insurance through VSP. The School District provides life insurance through American United Life Insurance Company and dental insurance through Superior Dental to employees.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 14 – INTERFUND TRANSFERS

Individual fund interfund transfer balances at June 30, 2014 were as follows:

	<u>Transfer-In</u>	<u>Transfer-Out</u>
General Fund	\$ -	\$ 133,073
Food Service	22,483	-
Adult Education	110,590	-
	<u>\$ 133,073</u>	<u>\$ 133,073</u>

Interfund transfers are used to move General Fund revenue to subsidize various programs in other funds.

NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Educational Computer Association

The School District is a member 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 School 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. During fiscal year 2014, the School District paid \$44,433 for services and fees. Financial information can be obtained from Thor Sage, who serves as Director, at 330 East Enon Road, Yellow Springs, Ohio 45387.

Southwestern Ohio Educational Purchasing Council

The School District is a member of the Southwestern Ohio Educational Purchasing Council (SOEPC). The purpose of the council 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 school districts on matters related to business operations.

The School District participates in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by an eleven member Executive Committee consisting of the Chairperson, the Vice-Chairperson, a representative from the Montgomery County Educational Service Center and eight other members elected by majority vote of all member school districts. The Chief Administrator of the GRP serves as the coordinator of the program. Each fiscal year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

The SOEPC elects one of its members as Chairperson and another as Vice-Chairperson. An Executive Committee is comprised of eleven members who 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. During fiscal year 2014, the School District paid \$660 for membership fees. Financial information can be obtained from Ken Swink, who serves as Director, at 303 Corporate Center Drive, Suite 208, Vandalia, Ohio 45377.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 16 – 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 require compliance with terms and conditions specified in the grant agreements and are 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, 2014.

B. Litigation

The Greene County Vocational School District is the plaintiff in a legal proceeding. The school district is of the opinion that the ultimate disposition of the claim and legal proceedings will not have a material effect, if any, on the financial condition of the Greene County Vocational School District.

NOTE 17 – SET ASIDE DISCLOSURE

The School District is required by State statute to annually set aside, in the General Fund, an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future fiscal years.

During the fiscal year ended June 30, 2014, the School District's cash basis reserve activity was as follows:

	<u>Capital Acquisition</u>
Set-aside Reserve Balance as of June 30, 2013	\$ -
Current Fiscal Year Set-aside Requirement	120,338
Current Fiscal Year Offsets	(2,301,731)
Qualifying Disbursements	<u>(209,386)</u>
Ending Set-aside Balance	<u>(2,390,779)</u>
Set-aside Balance Carried	
Forward to Future Fiscal Years	\$ -
Set-aside Reserve Balance as of June 30, 2014	\$ -

The School District had qualifying disbursements during the fiscal year that reduced the capital acquisition set-aside amounts below zero. However; due to statutory requirements, the balance is not permitted to be carried forward to future fiscal years.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Award Year</u>	<u>Award Receipts</u>	<u>Award Disbursements</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed Through Ohio Department of Education</i>				
<i>Child Nutrition Cluster</i>				
<i>Non-Cash Assistance (Food Distribution):</i>				
National School Lunch Program	10.555	2014	15,152	14,388
<i>Cash Assistance</i>				
National School Breakfast Program	10.553	2014	26,999	26,999
National School Lunch Program	10.555	2014	88,881	88,881
<i>Total Child Nutrition Cluster</i>			<u>131,032</u>	<u>130,268</u>
Total U.S. Department of Agriculture			<u>131,032</u>	<u>130,268</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>Direct Program</i>				
<i>Student Financial Assistance Cluster</i>				
Federal Pell Grant Program	84.063	2014	154,460	154,460
Federal Direct Student Loans	84.268	2014	271,034	271,034
<i>Total Student Financial Assistance Cluster</i>			<u>425,494</u>	<u>425,494</u>
<i>Passed Through Ohio Department of Education</i>				
Career and Technical Education - Basic Grants to States	84.048	2014	307,024	306,668
		2013	53,727	53,941
<i>Total Career and Technical Education</i>			<u>360,751</u>	<u>360,609</u>
Resident Educator	84.395	2014	700	700
Improving Teacher Quality	84.367	2014	3,255	3,255
Total U.S. Department of Education			<u>790,200</u>	<u>790,058</u>
TOTAL FEDERAL AWARD EXPENDITURES			\$ <u>921,232</u>	\$ <u>920,326</u>

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014**

NOTE A – Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) reports the Greene County Vocational School District's (the District's) federal award programs' receipts and disbursements. The Schedule has been prepared on the cash basis of accounting.

NOTE B – Child Nutrition Cluster

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

NOTE C – Food Donation Program

The District reports commodities consumed on the Schedule at entitlement value. The District allocated donated food commodities to the respective programs that benefitted from the use of those donated food commodities.

NOTE D – Matching Requirements

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Greene County Vocational School District (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 15, 2014.

Internal Controls Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

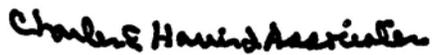
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
December 15, 2014

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Charles E. Harris & Associates, Inc.
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH 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:

Report on Compliance for Each Major Federal Program

We have audited the Greene County Vocational School District (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Greene County Vocational School District's major federal programs for the year ended June 30, 2014. The *Summary of Audit Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for each of its major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. 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 our audit provides a reasonable basis for our compliance opinion on the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Programs

In our opinion, the Greene County Vocational School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



Charles E. Harris and Associates, Inc.
December 15, 2014

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 SECTION .505**

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY
June 30, 2014**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unmodified
(d)(1)(ii)	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any significant deficiencies reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any significant deficiencies reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
(d)(1)(vi)	<i>Are there any reportable findings under Section .510</i>	No
(d)(1)(vii)	<i>Major Programs:</i>	CFDA 84.048, Perkins Grant, CFDA 84.063, Pell Grant, CFDA 84.268, Federal Direct Student Loans
(d)(1)(viii)	<i>Dollar Threshold: Type A\B Programs</i>	Type A:>\$300,000 Type B: All Others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	Yes

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, as of June 30, 2013, reported no material citations or recommendations.



Dave Yost • Auditor of State

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
MARCH 3, 2015**