



**GOSHEN LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY**

**SINGLE AUDIT**

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



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

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**STATE OF OHIO**



**GOSHEN LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Goshen Local School District  
Clermont County  
6785 Goshen Road  
Goshen, Ohio 45122

To The Board of Education:

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

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended June 30, 2001, the District adopted Governmental Accounting Statements No. 33 and No. 36.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2002, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

**Jim Petro**  
Auditor of State

February 14, 2002

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Goshen Local School District  
 Combined Balance Sheet  
 All Fund Types and Account Groups  
 June 30, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b><i>Assets and Other Debits:</i></b>				
<b><i>Assets:</i></b>				
Equity in Pooled Cash and Cash Equivalents	\$6,252,857	\$614,408	\$236,843	\$11,075,830
Cash and Cash Equivalents				
With Fiscal Agents	0	0	466	0
With Escrow Agents	0	0	0	86,147
Receivables:				
Property and Other Taxes	3,237,548	76,719	537,333	0
Income Taxes	935,229	0	0	0
Accounts	23,636	3,262	0	0
Intergovernmental	45,683	58,127	0	17,408,387
Accrued Interest	95,670	0	0	105,278
Interfund Receivable	15,000	0	0	0
Prepaid Items	7,716	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	83,607	2,025	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	50,464	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
<b><i>Other Debits:</i></b>				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
<b>Total Assets and Other Debits</b>	<b>\$10,747,410</b>	<b>\$754,541</b>	<b>\$774,642</b>	<b>\$28,675,642</b>



Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Agency			
\$24,269	\$40,952	\$0	\$0	\$18,245,159
0	0	0	0	466
0	0	0	0	86,147
0	0	0	0	3,851,600
0	0	0	0	935,229
0	0	0	0	26,898
0	0	0	0	17,512,197
0	0	0	0	200,948
0	0	0	0	15,000
0	0	0	0	7,716
5,325	0	0	0	5,325
3,526	0	0	0	89,158
0	0	0	0	50,464
40,150	0	20,938,033	0	20,978,183
0	0	0	323,637	323,637
0	0	0	7,845,117	7,845,117
<u>\$73,270</u>	<u>\$40,952</u>	<u>\$20,938,033</u>	<u>\$8,168,754</u>	<u>\$70,173,244</u>

(continued)

Goshen Local School District  
 Combined Balance Sheet  
 All Fund Types and Account Groups  
 June 30, 2001  
 (continued)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b><u>Liabilities,</u></b>				
<b><u>Fund Equity and Other Credits:</u></b>				
<b><i>Liabilities:</i></b>				
Accounts Payable	\$224,596	\$20,814	\$0	\$12,008
Contracts Payable	0	0	0	2,540,915
Accrued Wages and Benefits	1,125,876	68,359	0	0
Compensated Absences Payable	10,672	0	0	0
Retainage Payable	0	0	0	306,389
Interfund Payable	0	15,000	0	0
Intergovernmental Payable	392,016	24,053	0	12,632
Deferred Revenue	2,861,794	78,616	450,539	17,408,387
Undistributed Monies	0	0	0	0
Matured Interest Payable	0	0	466	0
Accrued Interest Payable	0	0	0	2,000
Capital Leases Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Energy Conservation Notes Payable	0	0	0	240,000
	<b>4,614,954</b>	<b>206,842</b>	<b>451,005</b>	<b>20,522,331</b>
<b><i>Fund Equity and Other Credits:</i></b>				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved (Deficit)	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	524,505	64,740	0	17,884,501
Reserved for Inventory	83,607	2,025	0	0
Reserved for Property Taxes	530,902	12,427	86,794	0
Reserved for Textbooks	48,332	0	0	0
Reserved for Budget Stabilization	2,132	0	0	0
Unreserved:				
Designated for Textbooks	10,034	0	0	0
Designated for Capital Improvements	113,261	0	0	0
Designated for Budget Stabilization	332,751	0	0	0
Undesignated (Deficit)	4,486,932	468,507	236,843	(9,731,190)
	<b>6,132,456</b>	<b>547,699</b>	<b>323,637</b>	<b>8,153,311</b>
<b>Total Fund Equity (Deficit) and Other Credits</b>	<b>6,132,456</b>	<b>547,699</b>	<b>323,637</b>	<b>8,153,311</b>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$10,747,410</b>	<b>\$754,541</b>	<b>\$774,642</b>	<b>\$28,675,642</b>

See accompanying notes to the general purpose financial statements

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Agency			
\$104	\$0	\$0	\$0	\$257,522
0	0	0	0	2,540,915
42,121	0	0	0	1,236,356
30,176	0	0	1,080,930	1,121,778
0	0	0	0	306,389
0	0	0	0	15,000
35,834	0	0	119,618	584,153
2,589	0	0	0	20,801,925
0	40,952	0	0	40,952
0	0	0	0	466
0	0	0	0	2,000
0	0	0	223,206	223,206
0	0	0	6,745,000	6,745,000
0	0	0	0	240,000
<u>110,824</u>	<u>40,952</u>	<u>0</u>	<u>8,168,754</u>	<u>34,115,662</u>
0	0	20,938,033	0	20,938,033
(37,554)	0	0	0	(37,554)
0	0	0	0	18,473,746
0	0	0	0	85,632
0	0	0	0	630,123
0	0	0	0	48,332
0	0	0	0	2,132
0	0	0	0	10,034
0	0	0	0	113,261
0	0	0	0	332,751
0	0	0	0	(4,538,908)
<u>(37,554)</u>	<u>0</u>	<u>20,938,033</u>	<u>0</u>	<u>36,057,582</u>
<u>\$73,270</u>	<u>\$40,952</u>	<u>\$20,938,033</u>	<u>\$8,168,754</u>	<u>\$70,173,244</u>

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Goshen Local School District  
 Combined Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 All Governmental Fund Types  
 For the Fiscal Year Ended June 30, 2001

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Revenues:</b>					
Property and Other Taxes	\$3,270,349	\$76,376	\$534,637	\$0	\$3,881,362
Income Taxes	2,016,236	0	0	0	2,016,236
Intergovernmental	10,107,071	915,833	62,330	8,941,906	20,027,140
Interest	616,366	20,446	26,843	478,826	1,142,481
Tuition and Fees	146,947	93,185	0	0	240,132
Rent	10,999	0	0	0	10,999
Extracurricular Activities	0	205,121	0	0	205,121
Gifts and Donations	625	8,335	0	0	8,960
Miscellaneous	431,588	13,468	0	0	445,056
<b>Total Revenues</b>	<b>16,600,181</b>	<b>1,332,764</b>	<b>623,810</b>	<b>9,420,732</b>	<b>27,977,487</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	7,893,072	227,265	0	34,886	8,155,223
Special	872,696	461,361	0	0	1,334,057
Vocational	112,416	10,728	0	0	123,144
Other	0	33,190	0	0	33,190
<b>Support Services:</b>					
Pupils	714,607	63,207	0	0	777,814
Instructional Staff	324,204	73,915	0	0	398,119
Board of Education	27,001	0	0	0	27,001
Administration	1,831,950	33,387	0	0	1,865,337
Fiscal	388,325	1,487	10,407	0	400,219
Business	24,737	0	0	0	24,737
Operation and Maintenance of Plant	1,545,775	7,352	0	0	1,553,127
Pupil Transportation	1,908,495	0	0	0	1,908,495
Central	82,522	40	0	31,562	114,124
<b>Operation of Non-Instructional Services:</b>					
Services	766	945	0	0	1,711
Extracurricular Activities	151,435	156,655	0	0	308,090
Intergovernmental	0	113,564	0	0	113,564
Capital Outlay	681,612	0	0	8,942,602	9,624,214
<b>Debt Service:</b>					
Principal Retirement	42,784	0	7,037,000	83,775	7,163,559
Interest and Fiscal Charges	626	0	535,835	7,984	544,445
<b>Total Expenditures</b>	<b>16,603,023</b>	<b>1,183,096</b>	<b>7,583,242</b>	<b>9,100,809</b>	<b>34,470,170</b>
Excess of Revenues Over (Under) Expenditures	(2,842)	149,668	(6,959,432)	319,923	(6,492,683)
<b>Other Financing Sources (Uses):</b>					
Proceeds from Sale of Fixed Assets	20,155	0	0	0	20,155
Proceeds from Sale of Bonds	0	0	6,891,000	0	6,891,000
Inception of Capital Lease	118,920	0	0	230,845	349,765
Operating Transfers In	0	50,087	420,564	181,420	652,071
Operating Transfers Out	(211,439)	0	(420,850)	(44,782)	(677,071)
<b>Total Other Financing Sources (Uses)</b>	<b>(72,364)</b>	<b>50,087</b>	<b>6,890,714</b>	<b>367,483</b>	<b>7,235,920</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(75,206)	199,755	(68,718)	687,406	743,237
Fund Balances at Beginning of Year - Restated (Note 3)	6,287,731	345,919	392,355	7,465,905	14,491,910
Increase (Decrease) in Reserve for Inventory	(80,069)	2,025	0	0	(78,044)
<b>Fund Balances at End of Year</b>	<b>\$6,132,456</b>	<b>\$547,699</b>	<b>\$323,637</b>	<b>\$8,153,311</b>	<b>\$15,157,103</b>

See accompanying notes to the general purpose financial statements

Goshen Local School District  
 Combined Statement of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual (Budget Basis)  
 All Governmental Fund Types  
 For the Fiscal Year Ended June 30, 2001

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>						
Property and Other Taxes	\$3,274,158	\$3,173,248	(\$100,910)	\$72,000	\$74,649	\$2,649
Income Taxes	1,900,000	1,943,584	43,584	0	0	0
Intergovernmental	10,185,405	10,107,100	(78,305)	1,007,217	929,474	(77,743)
Interest	250,000	508,566	258,566	37,000	20,445	(16,555)
Tuition and Fees	75,000	135,357	60,357	79,300	92,925	13,625
Rent	30,000	14,819	(15,181)	0	0	0
Extracurricular Activities	0	0	0	193,950	204,761	10,811
Gifts and Donations	0	0	0	7,900	8,335	435
Miscellaneous	252,600	454,192	201,592	15,500	11,042	(4,458)
<b>Total Revenues</b>	<b>15,967,163</b>	<b>16,336,866</b>	<b>369,703</b>	<b>1,412,867</b>	<b>1,341,631</b>	<b>(71,236)</b>
<b>Expenditures:</b>						
Current:						
Instruction:						
Regular	9,188,833	8,260,272	928,561	318,651	248,015	70,636
Special	940,991	879,431	61,560	558,862	458,981	99,881
Vocational	113,386	111,282	2,104	11,934	11,110	824
Other	0	0	0	68,283	33,190	35,093
Support Services:						
Pupils	746,012	715,091	30,921	78,815	63,632	15,183
Instructional Staff	341,924	354,504	(12,580)	86,107	73,783	12,324
Board of Education	40,814	27,637	13,177	0	0	0
Administration	1,874,261	1,944,942	(70,681)	43,815	33,939	9,876
Fiscal	441,613	405,722	35,891	3,000	1,487	1,513
Business	39,419	28,432	10,987	0	0	0
Operation and Maintenance of Plant	2,063,077	1,568,139	494,938	41,046	10,052	30,994
Pupil Transportation	1,990,354	1,915,193	75,161	0	0	0
Central	94,246	82,100	12,146	382	382	0
Operation of Non-Instructional Services	200	0	200	145,391	137,324	8,067
Extracurricular Activities	177,942	153,535	24,407	182,720	172,919	9,801
Capital Outlay	724,938	560,304	164,634	11,000	0	11,000
Debt Service:						
Principal Retirement	0	47,970	(47,970)	0	0	0
Interest	0	2,600	(2,600)	0	0	0
<b>Total Expenditures</b>	<b>18,778,010</b>	<b>17,057,154</b>	<b>1,720,856</b>	<b>1,550,006</b>	<b>1,244,814</b>	<b>305,192</b>
Excess of Revenues Over (Under) Expenditures	(2,810,847)	(720,288)	2,090,559	(137,139)	96,817	233,956
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Notes	240,000	290,000	50,000	0	0	0
Proceeds from Sale of Bonds	0	0	0	0	0	0
Proceeds from Sale of Fixed Assets	4,000	20,155	16,155	0	0	0
Refund of Prior Year Expenditures	0	2,118	2,118	0	134	134
Refund of Prior Year Receipts	(1,000)	0	1,000	0	0	0
Operating Transfers In	0	0	0	34,740	50,000	15,260
Operating Transfers Out	(425,782)	(450,782)	(25,000)	0	0	0
Advances In	0	3,913	3,913	0	0	0
Advances Out	0	0	0	(3,913)	(3,913)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(182,782)</b>	<b>(134,596)</b>	<b>48,186</b>	<b>30,827</b>	<b>46,221</b>	<b>15,394</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,993,629)	(854,884)	2,138,745	(106,312)	143,038	249,350
Fund Balances at Beginning of Year	5,291,934	5,291,934	0	286,585	286,585	0
Prior Year Encumbrances Appropriated	1,132,188	1,132,188	0	113,589	113,589	0
<b>Fund Balances at End of Year</b>	<b>\$3,430,493</b>	<b>\$5,569,238</b>	<b>\$2,138,745</b>	<b>\$293,862</b>	<b>\$543,212</b>	<b>\$249,350</b>

See accompanying notes to the general purpose financial statements

Debt Service Fund			Capital Projects Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$547,209	\$522,542	(\$24,667)	\$0	\$0	\$0
0	0	0	0	0	0
55,000	62,331	7,331	4,249,389	8,941,906	4,692,517
26,843	26,843	0	495,000	357,160	(137,840)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
629,052	611,716	(17,336)	4,744,389	9,299,066	4,554,677
0	0	0	128,216	125,368	2,848
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
10,500	10,407	93	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	39,831	33,491	6,340
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	6,140,456	26,548,113	(20,407,657)
7,423,136	7,439,030	(15,894)	0	0	0
609,380	554,655	54,725	0	0	0
8,043,016	8,004,092	38,924	6,308,503	26,706,972	(20,398,469)
(7,413,964)	(7,392,376)	21,588	(1,564,114)	(17,407,906)	(15,843,792)
300,000	0	(300,000)	0	0	0
6,891,000	6,891,000	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
235,517	420,564	185,047	0	0	0
0	0	0	(46,812)	(44,782)	2,030
0	0	0	0	0	0
0	0	0	0	0	0
7,426,517	7,311,564	(114,953)	(46,812)	(44,782)	2,030
12,553	(80,812)	(93,365)	(1,610,926)	(17,452,688)	(15,841,762)
317,655	317,655	0	7,751,797	7,751,797	0
0	0	0	135,363	135,363	0
\$330,208	\$236,843	(\$93,365)	\$6,276,234	(\$9,565,528)	(\$15,841,762)

Goshen Local School District  
Statement of Revenues,  
Expenses and Changes in Retained Earnings  
Proprietary Fund Type  
For the Fiscal Year Ended June 30, 2001

	Enterprise
<b><i>Operating Revenues:</i></b>	
Sales	\$407,236
<b><i>Operating Expenses:</i></b>	
Salaries	307,717
Fringe Benefits	123,132
Purchased Services	10,408
Materials and Supplies	32,812
Cost of Sales	208,310
Depreciation	1,022
Total Operating Expenses	683,401
Operating Loss	(276,165)
<b><i>Non-Operating Revenues:</i></b>	
Federal Donated Commodities	41,456
Interest	435
Federal and State Subsidies	163,185
Total Non-Operating Revenues	205,076
Loss before Operating Transfers	(71,089)
Operating Transfers In	25,000
Net Loss	(46,089)
Retained Earnings at Beginning of Year	8,535
Retained Earnings (Deficit) at End of Year	(\$37,554)

See accompanying notes to the general purpose financial statements



Goshen Local School District  
Statement of Revenues, Expenses and  
Changes in Fund Equity- Budget and Actual (Budget Basis)  
Proprietary Fund Type  
For the Fiscal Year Ended June 30, 2001

	Enterprise Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Sales	\$435,100	\$407,236	(\$27,864)
Interest	500	435	(65)
Federal and State Subsidies	150,000	163,185	13,185
<b>Total Operating Revenues</b>	<b>585,600</b>	<b>570,856</b>	<b>(14,744)</b>
<b>Expenses:</b>			
Salaries	279,000	289,174	(10,174)
Fringe Benefits	137,900	128,689	9,211
Purchased Services	17,681	11,204	6,477
Materials and Supplies	235,258	198,299	36,959
Capital Outlay	5,000	0	5,000
<b>Total Operating Expenses</b>	<b>674,839</b>	<b>627,366</b>	<b>47,473</b>
Excess of Revenues Over (Under) Expenses	(89,239)	(56,510)	32,729
Operating Transfers In	0	25,000	25,000
Excess of Revenues Over (Under) Expenses And Transfers	(89,239)	(31,510)	57,729
Fund Equity at Beginning of Year	52,901	52,901	0
Prior Year Encumbrances Appropriated	1,979	1,979	0
<b>Fund Equity (Deficit) at End of Year</b>	<b>(\$34,359)</b>	<b>\$23,370</b>	<b>\$57,729</b>

See accompanying notes to the general purpose financial statements

Goshen Local School District  
Statement of Cash Flows  
Proprietary Fund Type  
For the Fiscal Year Ended June 30, 2001

	<u>Enterprise</u>
<b><u>Increase (Decrease) in Cash and Cash Equivalents:</u></b>	
Cash Flows from Operating Activities:	
Cash Received from Customers	\$407,236
Cash Payments to Employees for Services	(289,174)
Cash Payments to Employees for Benefits	(128,689)
Cash Payments to Suppliers for Goods and Services	<u>(208,604)</u>
Net Cash Used for Operating Activities	<u>(219,231)</u>
Cash Flows from Noncapital Financing Activities:	
Federal and State Subsidies	163,185
Operating Transfers In	<u>25,000</u>
Net Cash Provided by Noncapital Financing Activities	<u>188,185</u>
Cash Flows from Investing Activities	
Interest	<u>435</u>
Net Cash Provided by Investing Activities	<u>435</u>
Net Decrease in Cash and Cash Equivalents	(30,611)
Cash and Cash Equivalents at Beginning of Year	<u>54,880</u>
Cash and Cash Equivalents at End of Year	<u><u>\$24,269</u></u>
 <b><u>Reconciliation of Operating Loss to Net Cash Used for Operating Activities:</u></b>	
Operating Loss	<u>(\$276,165)</u>
 <b><u>Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:</u></b>	
Donated Commodities Used During Year	41,456
Depreciation	1,022
Changes in Assets and Liabilities:	
Decrease Materials and Supplies Inventory	544
Decrease in Inventory Held for Resale	1,163
Decrease in Accounts Payable	(238)
Increase in Accrued Wages and Benefits Payable	1,713
Increase in Compensated Absences Payable	12,367
Decrease in Intergovernmental Payable	<u>(1,093)</u>
Total Adjustments	<u>56,934</u>
Net Cash Used for Operating Activities	<u><u>(\$219,231)</u></u>

See accompanying notes to the general purpose financial statements

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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

Goshen Local School District (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by State statute and/or federal guidelines.

The School District was established in 1896 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 35 square miles. It is located in Clermont County, and includes Goshen Township.

*Reporting Entity:*

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure 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 Goshen Local 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 included no component units in the reporting entity.

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

Booster Clubs  
Parent-Teacher Organizations

The School District participates in five organizations, three of which are defined as jointly governed organizations and two are group insurance purchasing pools. These organizations are the Hamilton Clermont Cooperative Association/Unified Purchasing Association, the Hamilton/Clermont Cooperative Association (H/CCA), the Great Oaks Joint Vocational School, the Clermont County

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

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

Health Trust, and the Ohio School Boards Association Workers' Compensation Group Rating Plan, respectively. These organizations are presented in Notes 19 and 20 to the general purpose financial statements.

The following activities are included within the reporting entity:

*Parochial School* - Within the School District boundaries, Village Christian School is operated as a private school. Current State legislation provides funding to this parochial school. These monies are received and disbursed on behalf of the parochial school by the Treasurer of the School District, as directed by the parochial school. This activity by the School District is reflected in a special revenue fund for financial reporting purposes to reflect the School District's administrative responsibility for these monies.

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

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

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

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

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

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

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

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

*Governmental Fund Types:*

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

*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.

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

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

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

*Proprietary Fund Type:*

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

*Enterprise Fund* - The enterprise fund is used to account for School District activities that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

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

or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

*Fiduciary Fund Type:*

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The School District's only fiduciary fund is an agency fund. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

*Account Groups:*

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

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

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

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

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

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. The School District has no contributed capital. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

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

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

The modified accrual basis of accounting is followed for the governmental and agency funds. The full accrual basis of accounting is followed for the proprietary funds.

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. Available means that the resources will be collected 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 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 income tax is recognized in the fiscal year in which the exchange on which the tax is imposed takes place, and revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 7.) 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, income taxes, interest, tuition, grants, student fees and rentals.

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2001, but which were levied to finance fiscal year 2002 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On a modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

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

in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

**C. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than the agency fund, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education. The Treasurer has been given authority to further allocate appropriations to functions and objects within each fund.

*Tax Budget:*

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Clermont County Budget Commission for rate determination.

*Estimated Resources:*

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves



Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

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

as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2001.

*Appropriations:*

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at the legal level of control.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, these amendments were not significant.

The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than the agency fund, consistent with statutory provisions.

*Encumbrances:*

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

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

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

*Lapsing of Appropriations:*

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

**D. Cash and Cash Equivalents**

To improve cash management, cash received by the School District is pooled. Monies for all funds, including the enterprise fund, are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the combined balance sheet. The School District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the combined balance sheet as "cash and cash equivalents with fiscal agents" and represents deposits. Cash and cash equivalents that are held separately in escrow accounts at a financial institution for retainages and not held with the Treasurer are recorded on the balance sheet as "cash and cash equivalents with escrow agents" and represent deposits.

During fiscal year 2001, the School District's investments consisted of mutual funds, money market funds, federal home loan bank bonds, federal home loan mortgage corporation notes, federal national mortgage association notes, and the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as mutual funds and money market funds are reported at cost.

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, 2001. Open end mutual funds are reported at the fund's share price on June 30, 2001.

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 2001 amounted to \$616,366 which includes \$239,306 assigned from other School District funds.

For purposes of the combined statement of cash flows, the enterprise portion of equity in pooled cash and cash equivalents is considered a cash equivalent because the enterprise fund has access to its share of the cash management pool without prior interest or penalty.

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

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

**E. Inventory**

Inventories of governmental funds are stated at cost while inventories of the enterprise fund are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets. Inventories of the enterprise fund consist of donated food, purchased food, and non-food supplies held for resale and are expensed when used.

**F. Fixed Assets and Depreciation**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. The School District has also elected to capitalize the cost of textbooks. Fixed assets utilized in the enterprise fund are capitalized in the fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of two hundred and fifty dollars. The School District does not have any infrastructure.

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

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the enterprise fund is computed using the straight-line method over an estimated useful life of five to twenty years.

**G. 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 earned for all employees with more than one year of service. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

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

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In the enterprise fund, the entire amount of compensated absences is reported as a fund liability.

**H. Interfund Assets/Liabilities**

Short-term interfund loans are classified as "interfund receivables" and "interfund payables."

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

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

Long-term debt obligations financed by the enterprise fund are reported as liabilities in that fund.

**J. Interfund Transactions**

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

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

**K. Fund Balance Reserves**

The School District reserves those portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, inventories of supplies and materials, property taxes, textbooks and instructional materials, and budget stabilization.

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

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

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures. This reserve consists exclusively of monies received by the School District from the Bureau of Workers' Compensation before April 10, 2001.

**L. Fund Designations**

The School District designates fund balance to indicate tentative planned expenditures of financial resources. The designations reflect the school district's intentions, are subject to change and are reported as part of unreserved fund balance. Fund designations are established for budget stabilization, for the purchase of textbooks and instructional materials and capital acquisitions.

**M. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by statute to be set-aside by the School District for the acquisition of textbooks and instructional materials and to create a reserve for budget stabilization. See Note 21 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

**N. Estimates**

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

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

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

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

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**NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCE**

For fiscal year 2001, the School District has implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions," and GASB Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues," - an amendment of GASB No. 33, which changes how the School District reports certain types of revenues. The implementation of these pronouncements caused the following change to prior year fund balance:

	<u>Special Revenue</u>
Fund Balance at June 30, 2000	\$289,476
Restatement for Intergovernmental Receivable	<u>56,443</u>
Fund Balance Restated at June 30, 2000	<u><u>\$345,919</u></u>

**NOTE 4 - ACCOUNTABILITY AND COMPLIANCE**

**A. Accountability**

At June 30, 2001, the career development special revenue fund, the permanent improvement capital projects fund and the food service enterprise fund had deficit fund balances of \$135, \$242,000, and \$37,554, respectively. Both the special revenue and capital projects funds' deficits were created by the recognition of accrued liabilities. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur. The enterprise fund deficit was due to operating costs exceeding revenues. The School District is monitoring the deficit in the enterprise fund and is considering the possibility of raising lunch prices to help eliminate the deficit.

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

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

**B. Compliance**

The following funds had appropriations in excess of estimated resources plus carryover balances for the fiscal year ended June 30, 2001:

<u>Fund Type/Fund</u>	<u>Estimated Resources Plus Carryover Balances</u>	<u>Appropriations</u>	<u>Excess</u>
Special Revenue Fund:			
Auxiliary Services	\$132,450	\$136,294	\$3,844
Capital Projects Funds:			
Permanent Improvement	44,782	46,812	2,030
Technology Equity	33,631	39,831	6,200
Enterprise Fund:			
Food Service	640,480	674,839	34,359

Due to the School District encumbering its building project contracts since the funds are in the process of collection, the Ohio School Facilities capital projects fund had a \$20,427,133 excess of expenditures plus encumbrances over appropriations for the year ended June 30, 2001.

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING**

While the School District is reporting financial position, results of operations, and changes in fund balances/retained earnings 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 Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) - All Governmental Fund Types and the Statement of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Budget Basis) - Proprietary Fund Type are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING** (Continued)

2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the enterprise fund (GAAP basis).
4. Proceeds from and principal payments on bond and revenue anticipation notes are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. The School District repays short-term note debt from the debt service fund (budget basis) as opposed to the fund that received the proceeds (GAAP basis). Debt service fund resources used to pay both principal and interest have been allocated accordingly.

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type.

Excess of Revenues and Other Financing Sources  
Over (Under) Expenditures and Other Financing Uses  
All Governmental Fund Types

	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	(\$75,206)	\$199,755	(\$68,718)	\$687,406
Revenue Accruals	(380,117)	9,001	(12,094)	(352,511)
Expenditure Accruals	315,792	9,478	(18,820)	3,104,954
Debt Proceeds	290,000	0	0	0
Debt Principal Payments	(47,970)	0	(402,030)	0
Operating Transfers for Debt Service	(239,343)	(87)	420,850	(181,420)
Advances	3,913	(3,913)	0	0
Encumbrances	(721,953)	(71,196)	0	(20,711,117)
Budget Basis	<u>(\$854,884)</u>	<u>\$143,038</u>	<u>(\$80,812)</u>	<u>(\$17,452,688)</u>



Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

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**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING** (Continued)

	<u>Enterprise</u>
GAAP Basis	(\$46,089)
Expense Accruals	16,163
Materials and Supplies Inventory	(544)
Inventory Held for Resale	(1,163)
Depreciation Expense	1,022
Encumbrances	<u>(899)</u>
Budget Basis	<u><u>(\$31,510)</u></u>

**NOTE 6 - DEPOSITS AND INVESTMENTS**

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the 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 two 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 one year from the date of deposit, or by savings accounts, including passbook accounts.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

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**NOTE 6 - DEPOSITS AND INVESTMENTS** (Continued)

company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public money deposited with the institution.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal 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 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 provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

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**NOTE 6 - DEPOSITS AND INVESTMENTS** (Continued)

the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

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

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

***Deposits*** At year end, the carrying amount of the School District's deposits was (\$390,795) and the bank balance was \$252,080. Of the bank balance:

1. \$185,875 was covered by federal depository insurance; and
2. \$66,206 was uninsured and uncollateralized. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District held to a successful claim by the FDIC.

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

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

**NOTE 6 - DEPOSITS AND INVESTMENTS** (Continued)

	<u>Unclassified</u>	<u>Category 2</u>	<u>Fair/Carrying Value</u>
STAR Ohio	\$921,595	\$0	\$921,595
Mutual Funds	0	4,315,040	4,315,040
Money Market Funds	0	121,301	121,301
Federal Home Loan Bank Notes	0	12,490,469	12,521,061
Federal Home Loan Mortgage Corporation Notes		546,477	543,159
Federal National Mortgage Association Notes	<u>0</u>	<u>350,000</u>	<u>350,875</u>
Total	<u>\$921,595</u>	<u>\$17,823,287</u>	<u>\$18,773,031</u>

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting."

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

	<u>Cash and Cash Equivalents/ Deposits</u>	<u>Investments</u>
GASB Statement No. 9	\$18,382,236	\$0
Investments:		
STAR Ohio	(921,595)	921,595
Mutual Funds	(4,315,040)	4,315,040
Money Market Funds	(121,301)	121,301
Federal Home Loan Bank Notes	(12,521,061)	12,521,061
Federal Home Loan Mortgage Corporation Notes	(543,159)	543,159
Federal National Mortgage Association Notes	<u>(350,875)</u>	<u>350,875</u>
GASB Statement No. 3	<u>(\$390,795)</u>	<u>\$18,773,031</u>

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

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**NOTE 7 - 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 located in the School District. Property tax revenue received during calendar 2001 for real and public utility property taxes represents collections of calendar 2000 taxes. Property tax payments received during calendar 2001 for tangible personal property (other than public utility property) are for calendar 2001 taxes.

2001 real property taxes are levied after April 1, 2001, on the assessed value as of January 1, 2001, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value. First half 2001 real property taxes are collected in and intended to finance fiscal year 2002.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2001 public utility property taxes became a lien December 31, 2000, are levied after April 1, 2001, and are collected in 2002 with real property taxes.

2001 tangible personal property taxes are levied after April 1, 2000, on the value as of December 31, 2000. Collections are made in 2001. Tangible personal property assessments are twenty-five percent of true value.

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, 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.

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

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

**NOTE 7 - PROPERTY TAXES** (Continued)

The assessed values upon which fiscal year 2001 taxes were collected are:

	2000 Second- Half Collections		2001 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$124,615,040	87.04%	\$138,464,090	85.51%
Public Utility	14,610,030	10.21	15,874,710	9.80
Tangible Personal Property	3,940,250	2.75	7,586,170	4.69
Total Assessed Value	<u>\$143,165,320</u>	<u>100.00%</u>	<u>\$161,924,970</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$33.10		\$33.10	

The School District receives property taxes from Clermont County. 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, 2001, are available to finance fiscal year 2001 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 2001, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amounts available as an advance at June 30 were levied to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations.

The amount available as an advance at June 30, 2001 was \$530,902 in the general fund, \$12,427 in the classroom facilities special revenue fund, and \$86,794 in the debt service fund.

**NOTE 8 - INCOME TAX**

The School District levies a voted tax of one percent for general operations on the income of residents and of estates. The tax was effective on January 1, 1991, and is a continuing tax. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue in the amount of \$2,016,236 is credited to the general fund.

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

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**NOTE 9 - RECEIVABLES**

Receivables at June 30, 2001, consisted of both property and income taxes, accounts (rent, billings for user charged services, and student fees), accrued interest, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
General Fund:	
Tuition from other School Districts	\$42,662
Reimbursement from Clermont County	<u>3,021</u>
Total General Fund	<u>45,683</u>
Special Revenue Funds:	
Title I	53,388
Title VI-R	<u>4,739</u>
Total Special Revenue Funds	<u>58,127</u>
Capital Projects Fund:	
Classroom Facilities Maintenance	<u>17,408,387</u>
Total of all Funds	<u><u>\$17,512,197</u></u>

**NOTE 10 - FIXED ASSETS**

A summary of the enterprise fund's fixed assets at June 30, 2001, follows:

Furniture and Equipment	\$160,778
Less Accumulated Depreciation	<u>(120,628)</u>
Net Fixed Assets	<u><u>\$40,150</u></u>

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

**NOTE 10 - FIXED ASSETS** (Continued)

A summary of the changes in general fixed assets during fiscal year 2001 follows:

Asset Category	Balance at 7/1/00	Additions	Deletions	Balance at 6/30/01
Land	\$420,980	\$29,498	\$0	\$450,478
Buildings and Improvements	7,042,374	94,612	0	7,136,986
Vehicles	42,913	0	0	42,913
Furniture, Fixtures and Equipment	3,644,134	973,509	187,690	4,429,953
Books	1,415,410	0	0	1,415,410
Construction in Progress	20,000	7,462,293	20,000	7,462,293
Totals	<u>\$12,585,811</u>	<u>\$8,559,912</u>	<u>\$207,690</u>	<u>\$20,938,033</u>

**NOTE 11 - RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2001, the School District contracted with Nationwide Insurance for property and fleet insurance, inland marine coverage, and for general liability insurance.

Coverage provided by Nationwide Insurance includes the following:

General Liability	\$5,000,000
Building and Contents-replacement cost (\$500 deductible)	36,935,100
Inland Marine Coverage (\$250 deductible)	167,682
Boiler and Machinery (\$500 deductible)	No limit
Crime Insurance	8,000
Employers' Liability	2,000,000
Automobile Liability (\$250 deductible)	2,000,000
Uninsured Motorists (\$250 deductible)	2,000,000



Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

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**NOTE 11 - RISK MANAGEMENT** (Continued)

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

For fiscal year 2001, the School District participated in the Clermont County Health Trust (the Trust), an insurance purchasing pool, in order to provide dental, life, medical, and disability benefits to employees, their dependents and designated beneficiaries (see Note 20).

For fiscal year 2001, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), a group insurance purchasing pool (Note 20). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and 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. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

**NOTE 12 - DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute 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 may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2001, 4.2 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS** (Continued)

2000, 5.5 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$55,611, \$65,730, and \$131,016, respectively; 60.43 percent has been contributed for fiscal year 2001 and 100 percent for fiscal years 2000 and 1999. \$22,004 representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds and the general long-term obligations account group.

**B. State Teachers Retirement System**

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

For the fiscal year ended June 30, 2001, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. For fiscal year 2000, the portion used to fund pension obligations was 6 percent. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$727,967, \$423,335, and \$359,056, respectively; 84.12 percent has been contributed for fiscal year 2001 and 100 percent for fiscal years 2000 and 1999. \$115,593 represents the unpaid contribution for fiscal year 2001 and is recorded as a liability within the respective funds.

**NOTE 13 - POSTEMPLOYMENT BENEFITS**

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

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

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**NOTE 13 - POSTEMPLOYMENT BENEFITS** (Continued)

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2001, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$344,827 for fiscal year 2001.

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

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2001, employer contributions to fund health care benefits were 9.8 percent of covered payroll, an increase of 1.3 percent from fiscal year 2000. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2001 fiscal year equaled \$138,168.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2000 (the latest information available), were \$140,696,340 and the target level was \$211 million. At June 30, 2000, SERS had net assets available for payment of health care benefits of \$252.3 million. SERS has approximately 50,000 participants currently receiving health care benefits.

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

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**NOTE 14 - OTHER EMPLOYEE BENEFITS**

**A. Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 210 to 240 days depending on the position of personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 54 days.

**B. Life Insurance**

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Unum.

**NOTE 15 - CAPITALIZED LEASES - LESSEE DISCLOSURE**

During fiscal year 2001, the School District entered into a new capital lease for the acquisition of computer equipment. The lease agreement is accounted for as a capital outlay expenditure in the general and capital projects funds with an offsetting amount reported as an other financing source, inception of capital lease. The terms of the agreement provide options to purchase the equipment. The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the General Purpose Financial Statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

General fixed assets acquired by lease have been capitalized in the general fixed assets account group in the amount of \$349,765 which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in fiscal year 2001 totaled \$126,559.

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

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Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

**NOTE 15 - CAPITALIZED LEASES - LESSEE DISCLOSURE** (Continued)

Fiscal Year Ending June 30,	Long-Term Obligations
2002	\$128,410
2003	128,410
Total	256,820
Less: Amount Representing Interest	(33,614)
Present Value of Minimum Lease Payments	\$223,206

**NOTE 16 - LONG-TERM OBLIGATIONS**

The changes in the School District's long-term obligations during fiscal year 2001 were as follows:

	Amount Outstanding 7/1/00	Additions	Deductions	Amount Outstanding 6/30/01
General Obligation Bonds:				
School Improvement Bonds 7/17/00 5.60%	\$0	\$6,891,000	\$146,000	\$6,745,000
School Improvement Bond Anticipation Note 2/16/00 4.71%	6,891,000	0	6,891,000	0
Intergovernmental Payable	96,266	119,618	96,266	119,618
Compensated Absences	1,079,973	957	0	1,080,930
Capital Leases Payable	0	349,765	126,559	223,206
Total General Long-Term Obligations	\$8,067,239	\$7,361,340	\$7,259,825	\$8,168,754

On July 17, 2000, the School District issued \$6,891,000 in voted general obligation bonds for the purpose of constructing a new high school and paying off the School Improvement Bond Anticipation Notes. The bonds were issued with an interest rate of 5.60% for a 23 year period with final maturity in fiscal year 2023 and will be repaid from the debt service fund.

On February 16, 2000, the School District issued \$6,891,000 in School Improvement Bond Anticipation Notes with an interest rate of 4.71%. This note matured on October 11, 2000 and was paid off with the proceeds of the general obligation bonds that were issued in July of 2000.

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

**NOTE 16 - LONG-TERM OBLIGATIONS** (Continued)

The intergovernmental payable represents contractually required pension contributions paid outside the available period and will be paid from the fund from which the person is paid. Compensated absences will be paid from the funds from which the employees' salaries are paid. Capital lease obligations will be paid from the general and capital projects funds.

The School District's overall legal debt margin was \$8,151,669, the energy conservation loan debt margin was \$1,217,325, and the unvoted debt margin of \$161,925 at June 30, 2001.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2001, are as follows:

General Obligation Bonds for Classroom Facilities

Fiscal Year Ending June 30,	Principal	Interest	Total
2002	\$185,000	\$361,088	\$546,088
2003	210,000	352,148	562,148
2004	245,000	341,735	586,735
2005	260,000	330,055	590,055
2006	280,000	317,430	597,430
2007-2011	1,170,000	1,392,868	2,562,868
2012-2016	1,280,000	1,094,536	2,374,536
2017-2021	2,025,000	606,719	2,631,719
2022-2023	1,090,000	62,160	1,152,160
Totals	<u>\$6,745,000</u>	<u>\$4,858,739</u>	<u>\$11,603,739</u>

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

**NOTE 17 - SHORT-TERM OBLIGATIONS**

A summary of the short-term note transactions for the fiscal year ended June 30, 2001, follows:

<u>Fund Type/Issue</u>	<u>Balance at 7/1/00</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at 6/30/01</u>
<b>Capital Projects Funds</b>				
Energy Conservation Notes 4/14/01 3.85%	\$0	\$240,000	\$0	\$240,000
Energy Conservation Notes 7/7/00 5.20%	0	50,000	50,000	0
Energy Conservation Notes 4/14/00 4.64%	300,000	0	300,000	0
Energy Conservation Notes 7/8/99 4.90%	100,000	0	100,000	0
<b>Totals</b>	<b><u>\$400,000</u></b>	<b><u>\$290,000</u></b>	<b><u>\$450,000</u></b>	<b><u>\$240,000</u></b>

On July 7, 2000 and April 14, 2001, the School District issued \$240,000 and \$50,000 in Energy Conservation Notes with interest rates of 3.85% and 5.20%, respectively. The \$240,000 note will mature on April 12, 2002, and the \$50,000 Energy Conservation Note was retired during the fiscal year.

Also during fiscal year 2001, the School District paid off \$300,000 and \$100,000 in Energy Conservation Notes that were outstanding from the prior year. The notes carry interest rates of 4.90% and 4.64%, respectively.

**NOTE 18 - INTERFUND ACTIVITY**

As of June 30, 2001, receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund Type/Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$15,000	\$0
Special Revenue: Uniform School Supplies	0	15,000
<b>Total All Funds</b>	<b><u>\$15,000</u></b>	<b><u>\$15,000</u></b>

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

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**NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS**

*Hamilton Clermont Cooperative Association/Unified Purchasing Association* - The Hamilton Clermont Cooperative Association/Unified Purchasing Association is a jointly governed organization comprised of school districts in Hamilton and Clermont Counties. The Unified Purchasing Cooperative was organized under the Hamilton Clermont Cooperative Association to benefit member districts with a more economically sound purchasing mechanism for general school, office and cafeteria supplies. The Unified Purchasing Cooperative organization is governed by representatives from each member school district that created the organization, but there is no ongoing financial interest or responsibility by the participating governments. Complete financial statements for H/CCA can be obtained from Al Porter, director, at their administrative offices at 7615 Harrison Avenue, Cincinnati, Ohio 45231.

*Hamilton/Clermont Cooperative Association* - The Goshen Local School District is a participant in a two county consortium of school districts to operate the Hamilton/Clermont Cooperative Association (H/CCA). H/CCA is an association of public districts in a geographic 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 and instructional functions among member districts. The Board of H/CCA consists of one representative from each of the participating members. The School District paid \$70,714 for services provided during the year. Complete financial statements for H/CCA can be obtained from Al Porter, director, at their administrative offices at 7615 Harrison Avenue, Cincinnati, Ohio 45231.

*Great Oaks Joint Vocational School* - The Great Oaks Joint Vocational School, a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each participating school district's elected board, which possesses its own budgeting and taxing authority. Great Oaks Joint Vocational School was formed for the purpose of providing vocational education opportunities to the students of the school district including students of Goshen Local School District. The School District has no ongoing financial interest in, nor responsibility for the Vocational School. Complete financial statements for Great Oaks Joint Vocational School can be obtained from the treasurer, John Wahle, at 3254 East Kemper Road, Cincinnati, Ohio 45241.



Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

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**NOTE 20 - GROUP INSURANCE PURCHASING POOL**

*Clermont County Health Trust* - The Clermont County Health Trust (the Trust), an insurance purchasing pool, is a health trust formed to provide affordable and desirable dental, life, medical, and other disability group insurance for members' employees, eligible dependents and designated beneficiaries of such employees. The Board of Directors consists of one representative from each of the participating members and is elected by the vote of a majority of the member school districts. The School District pays premiums to a third party administrator, McElroy Minister, which in turn buys the insurance policies from various insurance companies. Upon termination, the School District is responsible for prompt payment of all plan liabilities accruing as a result of such termination and maintain no right to any assets of the Trust. The School District may terminate participation in the Trust for the benefit of its employees upon written notice to the Trustee delivered at least sixty days prior to the annual review date of the policy. Financial information can be obtained from Dr. Alexander, administrator of the Clermont County Health Trust, at P.O. Box 526 Middletown, Ohio 45042.

*Ohio School Boards Association Workers' Compensation Group Rating Plan* - The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

**NOTE 21 - SET-ASIDE CALCULATIONS**

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 purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years. The School District is also required to set aside money for budget stabilization.

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

**NOTE 21 - SET-ASIDE CALCULATIONS** (Continued)

The following cash basis information describes the change in the fiscal year end set-aside amounts for textbooks, capital acquisition, and budget stabilization. Disclosure of this information is required by State statute.

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Set-aside Cash Balance as of June 30, 2001	\$147,317	\$18,322	\$217,861
Current Year Set-aside Requirement	338,987	338,987	2,132
Reduction due to new Legislation	0	0	(217,861)
Current Year Offsets	0	(567,359)	0
Qualifying Disbursements	(437,972)	(549,570)	0
Total	<u>\$48,332</u>	<u>(\$759,620)</u>	<u>\$2,132</u>
Reserve as of June 30, 2001	<u>\$48,332</u>	<u>\$0</u>	<u>\$2,132</u>

The School District had offsets and qualifying disbursements during the year that reduced the set-aside amount for capital acquisitions to below zero. A portion of this extra amount may be used to reduce the set-aside requirements of future years. The School District also set-aside additional money in excess of statutory requirements for textbooks and instructional materials and capital acquisitions in the amounts of \$10,034 and \$113,261, respectively. These amounts are presented on the balance sheet as a designation of fund balance rather than as a reserve, and is therefore not included in restricted assets. The total reserve balance for the three set-asides at the end of the fiscal year was \$50,464.

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

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**NOTE 22 - CONTRACTUAL COMMITMENTS**

As of June 30, 2001, the School District had contractual purchase commitments as follows:

<u>Company</u>	<u>Amount Remaining on Contract</u>
American Environmental	\$39,165
Beacon Electric Co.	930,180
C & R Masonry	1,552,140
Cinfab, Inc.	1,330,908
Eagle Electric	1,032,571
Fanning/Howey Inc.	534,998
Fred Debra Co.	418,878
Ken Neyer Plumbing	294,022
RE Schweitzer Construction	5,182,746
RPC Mechanical	840,565
Stephen Gross & Sons	5,392,799
Total Contractual Commitments	<u><u>\$17,548,972</u></u>

**NOTE 23 - CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

The School District has no pending litigation.

Goshen Local School District  
Clermont County

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001  
(Continued)

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**NOTE 24 - SUBSEQUENT EVENT**

School Funding

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

- ▶ A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- ▶ Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

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

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of November 28, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts.

Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

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

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

Debt Issues

The School District passed a resolution on January 14, 2002 to issue \$3.2 million in bonds.

The School Pool sold debt on January 15, 2002, and the School District's share is \$805,000.

**GOSHEN LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY**

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

<b>FEDERAL GRANTOR/ Pass Through Grantor Program Title</b>	<b>Pass Through Entity Number</b>	<b>Federal CFDA Number</b>	<b>Receipts</b>	<b>Non-Cash Receipts</b>	<b>Disbursements</b>	<b>Non-Cash Disbursements</b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Food Distribution Program		10.550		\$40,889		\$41,456
National School Lunch Program		10.555	\$154,453		\$154,453	
Total U.S. Department of Agriculture - Nutrition Cluster			<u>154,453</u>	<u>40,889</u>	<u>154,453</u>	<u>41,456</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States (IDEA Part B)	6BSF-99 6BSF-00	84.027	215,774		15,978 189,141	
Total Special Education Cluster			<u>215,774</u>		<u>205,119</u>	
Grants to Local Educational Agencies (ESEA Title I)	C1S1-00 C1S1-01 C1SD-01	84.010	56,443 269,055 9,207		89,997 228,411	
			<u>334,705</u>		<u>318,408</u>	
Goals 2000	G2S2-00 G2S2-01	84.276	21,000 14,000		15,702	
			<u>35,000</u>		<u>15,702</u>	
Innovative Educational Program Strategies	C2S1-00 C2S1-01	84.298	13,670		7,101 8,308	
			<u>13,670</u>		<u>15,409</u>	
Drug-Free Schools Grant	DRS1-00 DRS1-01	84.186	3,415 27,833		4,346 22,430	
			<u>31,248</u>		<u>26,776</u>	
Eisenhower Professional Development Grant	MSS1-00 MSS1-01	84.281	10,322		1,673 10,078	
			<u>10,322</u>		<u>11,751</u>	
Title VI-R	CRS1-00 CRS1-01	84.340	42,643		17,047 32,322	
			<u>42,643</u>		<u>49,369</u>	
Total Department of Education			<u>683,362</u>		<u>642,534</u>	
<b>Totals</b>			<u><b>\$837,815</b></u>	<u><b>\$40,889</b></u>	<u><b>\$796,987</b></u>	<u><b>\$41,456</b></u>

*The accompanying notes to this schedule are an integral part of this schedule.*

**GOSHEN LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
JUNE 30, 2001**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the schedule) is a summary of the activity of the District's federal awards programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the schedule at the fair market value of the commodities received and consumed. Federal cash receipts are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2001, the District had no significant food commodities in inventory.



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

Goshen Local School District  
Clermont County  
6785 Goshen Road  
Goshen, Ohio 45122

Board of Education:

We have audited the financial statements of the Goshen Local School District, Clermont County, Ohio (the District), as of and for the fiscal year ended June 30, 2001, and have issued our report thereon dated February 14, 2002, wherein we noted that the District adopted Governmental Accounting Statements No.33 and No. 36. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the District in a separate letter dated February 14, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated February 14, 2002.

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

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

**Jim Petro**  
Auditor of State

February 14, 2002





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

Goshen Local School District  
Clermont County  
6785 Goshen Road  
Goshen, Ohio 45122

To The Board of Education:

**Compliance**

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

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

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

**Internal Control Over Compliance**

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133. However, we noted other matters involving the internal control over federal reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated February 14, 2002.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over compliance that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated February 14, 2002.

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

**Jim Petro**  
Auditor of State

February 14, 2002

**GOSHEN LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2001**

**1. SUMMARY OF AUDITOR'S RESULTS**

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

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

None

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

None





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**GOSHEN LOCAL SCHOOL DISTRICT**

**CLERMONT 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 7, 2002**