



**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**SINGLE AUDIT**

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



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

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**STATE OF OHIO**



**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Education:

We have audited the accompanying general-purpose financial statements of the Greene County Vocational School District, Greene County, ("the District") as of and for the year ended June 30, 2000, 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 generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Greene County Vocational School District, Greene County, as of June 30, 2000, and the results of its operations and cash flows of its proprietary fund type for the year ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2001 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.

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

**Jim Petro**  
Auditor of State

January 4, 2001

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**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
JUNE 30, 2000**

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>Assets and Other Debits</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$681,879	\$171,694	\$0	\$1,897,201
Restricted Cash and Cash Equivalents	203,400	0	0	0
Receivables:				
Taxes	4,917,430	0	0	1,708,403
Accounts	25,136	0	0	0
Intergovernmental Receivable	0	11,114	0	0
Supplies Inventory	23,422	0	0	0
Inventory Held for Resale	0	0	0	0
Interfund Receivable	434,007	0	0	0
Land	0	0	0	0
Buildings and Other Improvements	0	0	0	0
Equipment	0	0	0	0
Vehicles	0	0	0	0
Less: Accumulated Depreciation	0	0	0	0
Other Debits:				
Amount to be Provided for Retirement of General Long Term Obligations	0	0	0	0
Total Assets and Other Debits	<u>\$6,285,274</u>	<u>\$182,808</u>	<u>\$0</u>	<u>\$3,605,604</u>



Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Total (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$0	\$1,045,725	\$0	\$0	\$3,796,499
0	0	0	0	203,400
0	0	0	0	6,625,833
0	0	0	0	25,136
2,742	0	0	0	13,856
394	0	0	0	23,816
2,866	0	0	0	2,866
0	0	0	0	434,007
0	0	57,564	0	57,564
0	0	4,525,346	0	4,525,346
122,553	0	3,075,307	0	3,197,860
0	0	144,941	0	144,941
(112,295)				(112,295)
0	0	0	750,595	750,595
<u>\$16,260</u>	<u>\$1,045,725</u>	<u>\$7,803,158</u>	<u>\$750,595</u>	<u>\$19,689,424</u>

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS**

**JUNE 30, 2000**

(Continued)

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>Liabilities, Fund Equity and Other Credits</u>				
Liabilities:				
Accounts Payable	\$32,513	\$18,326	\$0	\$12,631
Accrued Salaries Payable	560,965	59,616	0	0
Intergovernmental Payable	86,757	11,336	0	0
Interfund Payable	0	433,266	0	741
Due to Students	0	0	0	0
Due to Other Governments	0	0	0	0
Deferred Revenue	4,347,608	0	0	1,505,385
Compensated Absences Payable	43,084	941	0	0
Capital Lease Obligation	0	0	0	0
State Loan Payable	0	0	0	0
<b>Total Liabilities</b>	<u>5,070,927</u>	<u>523,485</u>	<u>0</u>	<u>1,518,757</u>
Fund Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balances:				
Reserved for Encumbrances	88,770	67,141	0	417,829
Reserved for Supplies Inventory	23,422	0	0	0
Reserved for Taxes	569,822	0	0	203,018
Reserved for Budget Stabilization	203,400	0	0	0
Unreserved:				
Designated for Budget Stabilization	18,903	0	0	0
Undesignated	310,030	(407,818)	0	1,466,000
<b>Total Fund Equity and Other Credits</b>	<u>1,214,347</u>	<u>(340,677)</u>	<u>0</u>	<u>2,086,847</u>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<u><u>\$6,285,274</u></u>	<u><u>\$182,808</u></u>	<u><u>\$0</u></u>	<u><u>\$3,605,604</u></u>

See accompanying notes to the general purpose financial statements.

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Total (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$0	\$0	\$0	\$0	\$63,470
13,369	0	0	0	633,950
4,048	0	0	0	102,141
0	0	0	0	434,007
0	41,532	0	0	41,532
0	999,957	0	0	999,957
0	0	0	0	5,852,993
0	0	0	289,962	333,987
0	0	0	47,428	47,428
0	0	0	413,205	413,205
17,417	1,041,489	0	750,595	8,922,670
0	0	7,803,158	0	7,803,158
310,848	0	0	0	310,848
(312,005)	0	0	0	(312,005)
0	0	0	0	573,740
0	0	0	0	23,422
0	0	0	0	772,840
0	0	0	0	203,400
0	0	0	0	18,903
0	4,236	0	0	1,372,448
(1,157)	4,236	7,803,158	0	10,766,754
<u>\$16,260</u>	<u>\$1,045,725</u>	<u>\$7,803,158</u>	<u>\$750,595</u>	<u>\$19,689,424</u>

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED JUNE 30, 2000**

	<u>Governmental Fund Types</u>					<b>Total (Memorandum Only)</b>
	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Expendable Trust</b>	
Revenues:						
Taxes	\$4,693,269	\$0	\$55,094	\$1,695,674	\$0	\$6,444,037
Intergovernmental	4,267,375	1,128,218	0	279,685	0	5,675,278
Interest	138,404	0	0	0	0	138,404
Tuition and Fees	92,662	323,910	0	0	0	416,572
Extracurricular Activities	0	24,860	0	0	0	24,860
Other	120,219	3,147	0	0	501	123,867
<b>Total Revenues</b>	<b>9,311,929</b>	<b>1,480,135</b>	<b>55,094</b>	<b>1,975,359</b>	<b>501</b>	<b>12,823,018</b>
Expenditures:						
Current:						
Instruction:						
Regular	293,734	0	0	0	0	293,734
Special	72,663	1,648	0	0	0	74,311
Vocational	5,072,459	1,084,757	0	246,567	680	6,404,463
Adult/Continuing	0	48,646	0	0	0	48,646
Other	114,424	6,121	0	0	0	120,545
Support Services:						
Pupils	424,788	132,006	0	16,284	0	573,078
Instructional Staff	676,308	223,107	0	314,579	500	1,214,494
Board of Education	135,845	0	0	96,705	0	232,550
Administration	673,634	15,684	0	13,145	0	702,463
Fiscal	247,020	5,000	0	984	0	253,004
Operation and Maintenance of Plant	598,453	0	0	130,246	0	728,699
Central	47,927	154,932	0	380	0	203,239
Non-Instructional Services	95,988	0	0	6,750	0	102,738
Extracurricular Activities	16,750	27,151	0	0	0	43,901
Capital Outlay	32,356	0	0	52,108	0	84,464
Debt Service:						
Principal Retirement	0	0	55,094	8,424	0	63,518
Interest and Fiscal Charges	0	0	0	3,370	0	3,370
<b>Total Expenditures</b>	<b>8,502,349</b>	<b>1,699,052</b>	<b>55,094</b>	<b>889,542</b>	<b>1,180</b>	<b>11,147,217</b>
Excess of Revenues Over (Under) Expenditures	809,580	(218,917)	0	1,085,817	(679)	1,675,801
Other Financing Sources (Uses):						
Transfers - In	0	20,056	0	0	0	20,056
Transfers - Out	(20,871)	0	0	0	0	(20,871)
Inception of Capital Lease	0	0	0	52,108	0	52,108
<b>Total Other Financing Sources (Uses)</b>	<b>(20,871)</b>	<b>20,056</b>	<b>0</b>	<b>52,108</b>	<b>0</b>	<b>51,293</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	788,709	(198,861)	0	1,137,925	(679)	1,727,094
Fund Balances at Beginning of Year	426,708	(141,816)	0	948,922	4,915	1,238,729
Decrease in Reserve for Inventory	(1,070)	0	0	0	0	(1,070)
<b>Fund Balances at End of Year</b>	<b>\$1,214,347</b>	<b>(\$340,677)</b>	<b>\$0</b>	<b>\$2,086,847</b>	<b>\$4,236</b>	<b>\$2,964,753</b>

See accompanying notes to the general purpose financial statements.

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**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)  
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED JUNE 30, 2000**

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$4,601,901	\$4,601,901	\$0	\$0	\$0	\$0
Intergovernmental	4,267,375	4,267,375	0	1,205,820	1,205,820	0
Interest	92,662	92,662	0	0	0	0
Tuition and Fees	129,973	129,973	0	244,647	244,647	0
Extracurricular Activities	0	0	0	24,860	24,860	0
Customer Services	92,530	92,530	0	0	0	0
Miscellaneous	46,725	46,725	0	3,066	3,147	81
<b>Total Revenues</b>	<b>9,231,166</b>	<b>9,231,166</b>	<b>0</b>	<b>1,478,393</b>	<b>1,478,474</b>	<b>81</b>
Expenditures:						
Current:						
Instruction:						
Regular	304,081	304,081	0	0	0	0
Special	73,369	73,369	0	1,648	1,648	0
Vocational	5,228,779	5,228,779	0	1,183,014	1,183,014	0
Adult/Continuing	0	0	0	48,646	48,646	0
Other	114,424	114,424	0	6,121	6,121	0
Support Services:						
Pupils	448,492	448,492	0	132,613	132,613	0
Instructional Staff	674,113	674,113	0	234,539	234,539	0
Board of Education	152,754	152,754	0	0	0	0
Administration	702,942	702,942	0	15,684	15,684	0
Fiscal	260,245	260,245	0	5,000	5,000	0
Operations of Maintenance of Plant	601,984	601,984	0	0	0	0
Central	49,673	49,673	0	173,383	173,383	0
Operation of Non-Instructional Services	95,988	95,988	0	0	0	0
Extracurricular Activities	16,750	16,750	0	28,676	28,676	0
Capital Outlay	32,356	32,356				
Debt Service:						
Principal Retirement	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>8,755,950</b>	<b>8,755,950</b>	<b>0</b>	<b>1,829,324</b>	<b>1,829,324</b>	<b>0</b>
Excess of Revenues Over (Under) Expenditures	475,216	475,216	0	(350,931)	(350,850)	81
Other Financing Sources (Uses):						
Advances - In	69,544	69,544	0	433,824	433,824	0
Advances - Out	(435,380)	(435,380)	0	(69,544)	(69,544)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(365,836)</b>	<b>(365,836)</b>	<b>0</b>	<b>364,280</b>	<b>364,280</b>	<b>0</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	109,380	109,380	0	13,349	13,430	81
Fund Balances at Beginning of Year	640,006	640,006	0	63,648	63,648	0
Encumbrances at Year End	116,188	116,188	0	94,614	94,614	0
<b>Fund Balances at End of Year</b>	<b>\$865,574</b>	<b>\$865,574</b>	<b>\$0</b>	<b>\$171,611</b>	<b>\$171,692</b>	<b>\$81</b>

See accompanying notes to the general purpose financial statements.

Debt Service Fund			Capital Project Funds			Expendable Trust Fund		
Revised Budget	Actual	Variable Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$55,094	\$55,094	\$0	\$1,625,366	\$1,625,366	\$0	\$0	\$0	\$0
0	0	0	279,685	279,685	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	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	501	501	0
55,094	55,094	0	1,905,051	1,905,051	0	501	501	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	629,983	607,072	22,911	680	680	0
0	0	0	0	0	0	0	0	0
0	0	0	24,069	16,284	7,785	0	0	0
0	0	0	545,311	340,808	204,503	500	500	0
0	0	0	140,931	96,705	44,226	0	0	0
0	0	0	51,399	51,399	0	0	0	0
0	0	0	984	984	0	0	0	0
0	0	0	1,136,482	628,939	507,543	0	0	0
0	0	0	380	380	0	0	0	0
0	0	0	6,750	6,750	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
55,094	55,094	0	0	0	0	0	0	0
55,094	55,094	0	2,536,289	1,749,321	786,968	1,180	1,180	0
0	0	0	(631,238)	155,730	786,968	(679)	(679)	0
0	0	0	741	741	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	741	741	0	0	0	0
0	0	0	(630,497)	156,471	786,968	(679)	(679)	0
0	0	0	1,304,321	1,304,321	0	4,915	4,915	0
0	0	0	436,410	436,410	0	0	0	0
\$0	\$0	\$0	\$1,110,234	\$1,897,202	\$786,968	\$4,236	\$4,236	\$0

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED JUNE 30, 2000**

	<b>ENTERPRISE</b>
Operating Revenues:	
Lunchroom Sales	\$120,774
Other Operating	101,611
Total Operating Revenues	222,385
Operating Expenses:	
Salaries and Fringe Benefits	137,113
Purchased Services	164
Supplies and Materials	13,387
Cost of Sales	132,371
Depreciation	2,746
Total Operating Expenses	285,781
Operating Loss	(63,396)
Non-Operating Revenues	
Operating Grants	27,574
Donated Commodities	15,068
Total Non-Operating Revenues	42,642
Net Loss Before Operating Transfer - In	(20,754)
Operating Transfer - In	815
Net Loss	(19,939)
Retained Earnings at Beginning of Year	(292,066)
Retained Earnings at End of Year	(\$312,005)

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



**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL (BUDGET BASIS)  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	<b>Enterprise Fund</b>		
	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
Revenues:			
Lunchroom Sales	\$120,774	\$120,774	\$0
Other	101,611	101,611	0
Operating Grants	29,671	29,671	0
	<u>252,056</u>	<u>252,056</u>	<u>0</u>
Total Revenues			
Expenses:			
Salaries	103,158	103,158	0
Fringe Benefits	35,456	35,456	0
Purchased Services	164	164	0
Materials and Supplies	129,512	129,512	0
	<u>268,290</u>	<u>268,290</u>	<u>0</u>
Total Expenses			
Excess of Revenues Over Expenses and Advances	(16,234)	(16,234)	0
Transfers - In	815	815	
Fund Equity at Beginning of Year	15,419	15,419	0
Fund Equity at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**STATEMENT OF CASH FLOWS  
ENTERPRISE FUND  
FOR THE YEAR ENDED JUNE 30,2000**

	<b>ENTERPRISE</b>
Increase (Decrease) in Cash and Cash Equivalents:	
Cash Flows from Operating Activities:	
Cash Received from Customers	\$120,774
Other Operating Receipts	101,611
Cash Payments to Employees for Services and Benefits	(138,614)
Cash Payments to Suppliers for Goods and Services	(129,676)
Net Cash Used In Operating Activities	(45,905)
Cash Flows from Noncapital Financing Activities:	
Operating Grants	29,671
Operating Transfer - In	815
Net Cash Provided by Noncapital Financing Activities	30,486
Net Decrease in Cash and Cash Equivalents	(15,419)
Cash and Cash Equivalents Beginning of Year	15,419
Cash and Cash Equivalents End of Year	\$0
Reconciliation of Operating Loss to Net Cash Used In Operating Activities:	
Operating Loss	(\$63,396)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	2,746
Donated Commodities Received	15,068
Changes in Assets and Liabilities:	
Decrease in Supplies Inventory	124
Decrease in Inventory Held for Resale	1,054
Decrease in Accrued Salaries Payable	(1,105)
Decrease in Intergovernmental Payable	(396)
Net Cash Used In Operating Activities	(\$45,905)

*See accompanying notes to general financial statements.*

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

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

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

The School District operates under a locally-elected seven-member Board form of government and provides educational services as authorized by its charter and further mandated by state and/or federal agencies. This Board controls the district's instructional/support facilities staffed by a full-time staff of 146 employees. There are 90 certificated employees including 6 administrators and 47 classified support staff including 2 administrators, who provide services to 842 students and other community members.

**A. Reporting Entity**

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

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

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

The School District does not have any component units.

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

**1. Governmental Fund Types:**

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

**General Fund**

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

**Special Revenue Funds**

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000  
(Continued)**

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

**Debt Service Fund**

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

**Capital Projects Fund**

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**2. Proprietary Fund Types:**

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

**Enterprise Funds**

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

**3. Fiduciary Fund Types:**

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

**4. Account Groups**

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

**General Fixed Assets Account Group**

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

**General Long-Term Obligations Account Group**

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000  
(Continued)**

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

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

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

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

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

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

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

The School District reports deferred revenues in its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In a subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Current and delinquent property taxes measurable as of June 30, 2000, whose availability is indeterminate and which are not intended to finance current period obligations, have been recorded as a receivable and deferred revenue. In the proprietary fund type, unused donated commodities are reported as deferred revenue.

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000  
(Continued)**

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

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

**B. Budgets and Budgetary Accounting**

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

**1. Tax Budget**

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

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

**2. Estimated Resources**

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the Certificate is amended to include unencumbered cash balances from the preceding year. The certificate may be further amended during the year if the fiscal officer determines that the revenue collected is greater or less than the current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year 2000.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000  
(Continued)**

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

**3. Appropriations**

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation must be legally enacted by the Board of Education at the fund, function, object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The Appropriation resolution, by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent Certificate of Estimated Resources. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

**4. Encumbrances**

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balances for subsequent-year expenditure for governmental funds and reported in the notes to the financial statements for proprietary funds.

**5. Lapsing of Appropriations**

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is also carried forward to the succeeding fiscal year and reappropriated. Budgetary fund balance is equal to the fund's cash balance.

**D. Cash and Cash Equivalents**

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

During fiscal year 2000 investments were limited to overnight repurchase agreements and a certificate of deposit.



**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000  
(Continued)**

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

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

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

Under existing Ohio statutes, all investment earnings are distributed to the General Fund. Interest income earned in 2000 amounted to \$138,404.

**E. Restricted Assets**

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

**F. Supplies Inventory**

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

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

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

**H. Fixed Assets and Depreciation**

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

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.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000  
(Continued)**

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

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

**I. Intergovernmental Revenues**

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred.

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

**Entitlements**

**General Fund**

State Foundation Program  
State Property Tax Relief

**Non-Reimbursable Grants**

**Special Revenue Funds**

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

**Reimbursable Grants**

**General Fund**

Driver Education

**Proprietary Funds**

National School Lunch Program  
Government Donated Commodities

Grants and entitlements amounted to approximately forty-four percent of the School District's operating revenue during the 2000 fiscal year.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000  
(Continued)**

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

**J. Compensated Absences**

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

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

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

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

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

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

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

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

**L. Contributed Capital**

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

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000  
(Continued)**

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

**M. 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.

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

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

**O. Interfund Transactions**

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

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

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

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

**3. COMPLIANCE AND ACCOUNTABILITY**

**Fund Deficits:**

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

	<u>Deficit Fund Balance</u>
Special Revenue Funds	
Career Education	\$ 21,921
Adult Vocational Education	349,416
Vocational Education	47,841
Enterprise Fund	
Food Service	312,005

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000  
(Continued)**

**3. COMPLIANCE AND ACCOUNTABILITY (Continued)**

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

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

**4. BUDGET TO GAAP RECONCILIATION**

**A. Budgetary Basis of Accounting**

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

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

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

The adjustments necessary to convert the results of operations for the year ended June 30, 2000 on the GAAP basis to the budget basis are as follows:

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000  
(Continued)**

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

Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses Governmental Fund Types and Expendable Trust Funds					
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Project Fund	Expendable Trust Funds
GAAP Basis	\$788,709	(\$198,861)	\$0	\$1,137,925	(\$679)
Revenue Accruals	(80,763)	(1,661)	0	(70,308)	0
Expenditure Accruals	(137,413)	(47,514)	0	(441,319)	0
Encumbrances	(116,188)	(82,758)	0	(430,254)	
Debt Principal Payments	0	0	0	8,424	0
Debt Interest Payments	0	0	0	3,370	0
Advances In (Out)	(365,836)	364,280	0	741	0
Transfers In (Out)	20,871	(20,056)	0	0	0
Inception of Capital Lease	0	0	0	(52,108)	0
Budget Basis	\$109,380	\$13,430	\$0	\$156,471	(\$679)

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

	Enterprise
GAAP Basis (as reported)	(\$19,939)
Adjustments:	
Revenue Accruals	2,097
Donated Commodities	(15,068)
Expense Accruals	14,745
Depreciation	2,746
Transfers	(815)
Budget Basis	(\$16,234)

**5. DEPOSITS AND INVESTMENTS**

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

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000  
(Continued)**

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

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

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

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 other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Governmental National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.
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. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
5. Bonds and other obligations of the State of Ohio.
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 in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000  
(Continued)**

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

**A. Deposits**

At year end, the carrying amount of the School District's deposits was (\$261,647) and the bank balance was \$100,013. Of the bank balance \$100,000 was covered by federal deposit insurance. The remaining amounts were uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department in the School District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

**B. Investments**

GASB Statement No. 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" requires that the School District's investments be classified in categories of risk. Category 1 includes investments that are insured or registered or for which the securities are held by the District. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the District's name.

	Category 3	Carrying Value	Market Value
Repurchase Agreements	\$4,261,546	\$4,261,546	\$4,261,546

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

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

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$3,999,899	\$ 0
Investments which are part of a cash management pool: Repurchase Agreements	(4,261,546)	4,261,546
GASB Statement 3	(\$ 261,647)	\$4,261,546



**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000  
(Continued)**

**6. PROPERTY TAXES**

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

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the Greene County Vocational School District. The County Auditor periodically remits to the District its portion of the taxes collected. The full tax rate for all District operations for the year ended June 30, 2000 was \$3.45 per \$1,000 of assessed value. The assessed values upon which the fiscal year 2000 taxes were collected are as follows:

	1999 Second-Half Collections	2000 First-Half Collections
Agricultural/Residential and Other Real Estate	\$2,411,232,982	\$2,378,076,927
Public Utility Personal	165,341,690	163,068,132
Tangible Personal Property	179,120,164	176,657,143
Total	\$2,755,694,836	\$2,717,802,202

Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of June 30, 2000. Although total property tax collections for the next year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30 was \$569,822 in the General Fund and \$203,018 in the Permanent Improvement Capital Projects Fund and is recognized as revenue.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000  
(Continued)**

**7. RECEIVABLES**

Receivables at June 30, 2000 consisted of taxes, accounts and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes and the stable condition of State programs.

A summary of the intergovernmental receivables follows:

<u>SPECIAL REVENUE FUNDS</u>	
Adult Vocational Education	\$ 4,352
Adult Basic Education	<u>6,762</u>
Total Special Revenue Funds	<u>11,114</u>
 <u>ENTERPRISE FUND</u>	
Food Service	<u>2,742</u>
Total All Funds	<u>\$13,856</u>

**8. FIXED ASSETS**

Changes in general fixed assets during the fiscal year ended June 30, 2000 were as follows:

Class	Balance June 30, 1999	Additions	Deletions	Balance June 30, 2000
Land	\$ 57,564	\$ 0	\$ 0	\$ 57,564
Buildings and Improvements	4,525,346	0	0	4,525,346
Equipment	2,810,605	292,976	28,274	3,075,307
Vehicles	144,941	0	0	144,941
Totals	<u>\$7,538,456</u>	<u>\$292,976</u>	<u>\$28,274</u>	<u>\$7,803,158</u>

**9. DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

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

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000  
(Continued)**

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

Plan members are required to contribute 9 percent of their annual covered salary and the Greene County Vocational School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$229,127, \$229,877 and \$205,537, respectively; 100 percent has been contributed for fiscal years 2000, 1999 and 1998.

**B. State Teachers Retirement System**

The Greene County Vocational School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement System Board. STRS provides basic retirement benefits, disability, survivor and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771 or by calling (614)227-4090.

Plan members are required to contribute 9.3 percent of their annual covered salary and the Greene County Vocational School District is required to contribute 14 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$772,678, \$753,647 and \$743,734, respectively; 100 percent has been contributed for fiscal years 2000, 1999 and 1998.

**10. POSTEMPLOYMENT BENEFITS**

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Retirement Board allocates employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund from which health care benefits are paid. However, for the fiscal year ended June 30, 1999, the board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. The Health Care Reserve Fund allocation for the year ended June 30, 2000 was eight percent of covered payroll. For the School District, this amount equaled \$441,530 during the 2000 fiscal year.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000  
(Continued)**

**10. POSTEMPLOYMENT BENEFITS (Continued)**

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$2.783 billion at June 30, 1999. For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14% contribution is allocated to providing health care benefits. At June 30, 1998, the allocations rate is 4.98%. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the members pay, pro-rated for partial service credit. For fiscal year 1998, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 1999, were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999 SERS had net assets available for payment of health care benefits of \$188 million. SERS has approximately 51,000 participants currently receiving health care benefits. For the School District, the amount to fund health care benefits, including surcharge, equaled \$150,457 during the 2000 fiscal year.

**11. OTHER EMPLOYEE BENEFITS**

**A. Compensated Absences**

**1. Accumulated Unpaid Vacation**

District classified employees earn vacation leave at varying rates based upon negotiated agreements and State laws. In the case of death or retirement, an employee (or his estate) is paid for his unused vacation leave. The total obligation for vacation leave for the District as a whole amounted to \$48,048 at June 30, 2000.

**2. Accumulated Unpaid Sick Leave**

Sick leave may be accumulated by district employees. Upon retirement, payment is made for one-fourth of the total unused sick leave balance up to a maximum of fifty days for certified employees and forty-five days for classified employees. The total obligation for sick leave accrual for the District as a whole as of June 30, 2000 was \$285,939.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000  
(Continued)**

**12. RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2000, the School District contracted with Indiana Insurance Company for building and property insurance. This policy has a limit of insurance in the amount of \$20,642,137 for property and a \$1,000 deductible. Auto insurance is also covered by Indiana Insurance for replacement cost with a \$250 deductible. General liability insurance is under American Alliance. The base policy has a \$1,000,000 per occurrence and a \$2,000,000 aggregate limit. An additional "umbrella" policy has \$3,000,000 per occurrence and a \$5,000,000 aggregate limit. The superintendent, treasurer and board president are all bonded separately.

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

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

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

**13. CAPITALIZED LEASES - LESSEE DISCLOSURE**

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

General fixed assets acquired by lease have been capitalized in the general fixed asset account group in an amount equal to the present value of the future minimum lease payments at the time of acquisition. General fixed assets consisting of equipment have been capitalized in the general fixed assets account group in the amount of \$52,108. A corresponding liability was recorded in the general long-term debt account group. Principal payments in fiscal year 2000 totaled \$3,744 on the old lease and \$4,680 on the new lease.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000  
(Continued)**

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

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2000.

Fiscal Year Ending June 30,	General Long-Term Debt
2001	\$13,692
2002	13,692
2003	13,692
2004	13,692
2005	<u>5,705</u>
Total Minimum Lease Payments	\$60,473
Less: Amount Representing Interest	<u>(13,045)</u>
Present Value of Minimum Lease Payments	<u><u>\$47,428</u></u>

**14. LONG-TERM OBLIGATIONS**

Long term obligations at June 30, 2000 were as follows:

	General Long-Term Obligations			Balance June 30, 2000
	Balance June 30, 1999	Increase	Decrease	
Capital Leases	\$ 3,744	\$ 52,108	\$ 8,424	\$ 47,428
Compensated Absences	212,630	77,332	0	289,962
State Loan	468,299	0	55,094	413,205
Total General Long-Term Obligations	<u>\$684,673</u>	<u>\$129,440</u>	<u>\$63,518</u>	<u>\$750,595</u>

The School District's voted legal debt margin was \$244,602,198 with an unvoted debt margin of \$2,717,802 at June 30, 2000.

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

Principal requirements to retire the state loan outstanding at June 30, 2000 are as follows:

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000  
(Continued)**

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

Fiscal Year Ending June 30,	Principal
2001	\$ 55,094
2002	55,094
2003	55,094
2004	55,094
2005-08	<u>192,829</u>
Total	<u>\$413,205</u>

**15. INTERFUND ASSETS/LIABILITIES**

Individual fund interfund asset and liability balances at June 30, 2000, were as follows:

Interfund Receivable/Payable

Receivable Fund	Payable Fund	Amount
General	Athletic	\$ 3,983
	Career Education	25,066
	Professional Development	274
	Adult Vocational Education	296,389
	Video Distance	741
	Children's Trust	14,313
	Adult Basic Education	15,954
	Eisenhower	107
	Vocational Education	76,579
	Title VI	<u>601</u>
	Total	<u>\$434,007</u>

**16. SEGMENT INFORMATION**

The School District maintains one Enterprise fund to account for the operations of food service. The table below reflects in a summarized format the more significant financial data relating to the Enterprise Fund of the District for the fiscal year ended June 30, 2000.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000  
(Continued)**

**16. SEGMENT INFORMATION (Continued)**

	Food Service
Operating Revenues	\$222,385
Operating Expenses Before Depreciation	283,035
Depreciation Expense	2,746
Operating Loss	(63,396)
Donated Commodities	15,068
Operating Grants	27,574
Net Loss	(19,939)
Net Working Capital	(11,415)
Total Assets	16,260
Total Equity	(1,157)

**17. CONTRIBUTED CAPITAL**

Contributed capital is recorded in the Food Service Enterprise fund since all assets are purchased with General Fund or Permanent Improvement Fund monies. During fiscal year 2000 there was no new contributed capital.

**18. JOINTLY GOVERNED ORGANIZATIONS**

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

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

**Southwestern Ohio Educational Purchasing Cooperative**

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



**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000  
(Continued)**

**19. CONTINGENT LIABILITIES**

**Grants**

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

**Litigation**

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

**20. SCHOOL FUNDING COURT DECISION**

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$3,702,423 of school foundation support for its General Fund. This figure included a payment of \$92,012 received in December 1999 that was related to fiscal year 1999.

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

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

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000  
(Continued)**

**21. SET ASIDE DISCLOSURE**

The following table represents the District's set-aside calculations for textbooks, capital acquisition and budget stabilization. Although the School District had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero, these extra amounts may not be used to reduce the set-aside requirements of future years. Negative amounts are therefore not presented as being carried forward to the next fiscal year. Amounts remaining at year-end that have been set-aside to satisfy statutory requirements are represented as a restricted asset on the balance sheet. A corresponding amount is reported as a reserve of fund balance.

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>	<u>Totals</u>
Set-aside Cash Balance as of June 30, 1999	\$ 0	\$ 0	\$123,696	\$ 123,696
Current Year Set-aside Requirement	239,111	239,111	79,704	557,926
Current Year Offsets	0	(1,563,377)	0	(1,563,377)
Qualifying Disbursements	(681,067)	0	0	(681,067)
Total	<u>(441,956)</u>	<u>(1,324,266)</u>	<u>203,400</u>	<u>(1,562,822)</u>
Cash Balance Carried Forward to FY 2000	<u>0</u>	<u>0</u>	<u>203,400</u>	<u>203,400</u>
Amount Restricted for Budget Stabilization				<u>\$203,400</u>
Total Restricted Assets				<u>\$203,400</u>

The district has set aside a total of \$222,303 in the general fund for budget stabilization. The additional \$18,903 over the set-aside requirement calculated above has been captioned "Fund Balance - Designated" on the balance sheet for the year ended June 30, 2000.

**22. SIGNIFICANT CONTRACTUAL OBLIGATIONS**

The school district has committed to a renovation/expansion construction project which will be paid for out of the Permanent Improvement Fund. As of June 30, 2000 the total obligations of the fund were \$1,624,336.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2000**

<b>Federal Grantor/ Pass Through Grantor Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Number</b>	<b>Receipts</b>	<b>Non-Cash Receipts</b>	<b>Disbursements</b>	<b>Non-Cash Disbursements</b>
<b>U.S. Department of Agriculture</b> <i>(Passed through Ohio Department of Education)</i>						
Nutrition Cluster:						
Food Distribution Program (A)	10.550	N/A	0	\$13,984	\$0	\$15,069
National School Lunch Program (B)	10.555	04-PU	<u>27,780</u>	<u>0</u>	<u>27,780</u>	<u>0</u>
Total U.S. Department of Agriculture			\$27,780	\$13,984	\$27,780	\$15,069
<b>U.S. Department of Labor</b> <i>(Passed through Ohio Department of Education)</i>						
Employment Service and Job-Training Pilot and Demonstration Program	17.249	G2-S2-00P	\$17,391	\$0	\$17,000	\$0
<b>U.S. Department of Education</b> <i>(Passed through Ohio Department of Education)</i>						
Adult Education Basic Grant (C)	84.002	AB-S1-00	85,000	0	85,000	0
Vocational Education Basic Grants to States	84.048	20-C1	435,054	0	428,090	0
Goals 2000 - Administration	84.276	G2-S2	46,758	0	22,485	0
Title VI	84.298	C2-S1	4,660	0	3,409	0
Eisenhower Professional Development State Grant	84.281	MS-S1	2,136	0	2,891	0
<i>(Direct Receipt)</i>						
Student Financial Assistance Cluster:						
Supplemental Educational Opportunity Grant	84.007	N/A	5,423	0	5,423	0
Pell Grant	84.063	N/A	5,384	0	5,384	0
William D. Ford Federal Direct Loan Program	84.268	N/A	<u>15,387</u>	<u>0</u>	<u>15,387</u>	<u>0</u>
Total Student Financial Assistance Cluster			<u>26,194</u>	<u>0</u>	<u>26,194</u>	<u>0</u>
Total U.S. Department of Education			<u>599,802</u>	<u>0</u>	<u>568,069</u>	<u>0</u>
Total Federal Financial Assistance			<u>\$644,973</u>	<u>\$13,984</u>	<u>\$612,849</u>	<u>\$15,069</u>

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY  
FISCAL YEAR ENDED JUNE 30, 2000**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES**

**NOTE A--SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B--NUTRITION CLUSTER**

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2000, the District had no significant food commodities in inventory.



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

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

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

To the Board of Education:

We have audited the accompanying general-purpose financial statements of the Greene County Vocational School District, Greene County, ("the District") as of and for the year ended June 30, 2000, and have issued our report thereon dated January 4, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the 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 management of the District in a separate letter dated January 4, 2001.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated January 4, 2001.

Board of Education Members  
Greene County Vocational School District, Greene County  
Report of Independent Accountant on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

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

**Jim Petro**  
Auditor of State

January 4, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR

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

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

To the Board of Education:

**Compliance**

We have audited the compliance of the Greene County Vocational School District, Greene County, ("the District") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2000. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with 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 its major federal program for the year ended June 30, 2000.

**Internal Control over Compliance**

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over federal compliance that did not require inclusion in this report, that we have reported to management of the District in a separate letter dated January 4, 2001.

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

**Jim Petro**  
Auditor of State

January 4, 2001



**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

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

**FISCAL YEAR ENDED JUNE 30, 2000**

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

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	CFDA #84.048: Vocational Education Basic Grants to States
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	Yes

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

None

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

None

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT  
GREENE COUNTY**

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

Finding number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid:
1999-10329-001	Ohio Rev. Code Section 5705.38 (B), adopting permanent appropriation before October 1	Yes	
1999-10329-002	Ohio Rev. Code Section 5705.39, appropriations in excess of estimated resources	Yes	
1999-10329-003	Ohio Rev. Code Section 5705.41(B), expenditures plus encumbrances in excess of appropriations	No	Partially Corrected; Citation reissued in the management letter



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**GREEN COUNTY VOCATIONAL SCHOOL DISTRICT**

**GREENE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 13, 2001**