



**VINTON COUNTY LOCAL SCHOOL DISTRICT
VINTON COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VINTON COUNTY LOCAL SCHOOL DISTRICT
VINTON COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Education:

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

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

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

As described in Note 3 to the general purpose financial statements, during the year ended June 30, 2001, the School District adopted Governmental Accounting Statement No. 33 and No. 36.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2002, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Jim Petro
Auditor of State

January 4, 2002

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VINTON COUNTY LOCAL SCHOOL DISTRICT
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2001

| | GOVERNMENTAL FUND TYPES | | | |
|---|--------------------------------|---------------------------|-------------------------|---------------------------|
| | General | Special Revenue | Debt Service | Capital Projects |
| <u>Assets and Other Debits:</u> | | | | |
| <u>Assets:</u> | | | | |
| Cash and Cash Equivalents | \$5,322,338 | \$1,000,557 | \$286,542 | \$1,803,814 |
| <i>Receivables:</i> | | | | |
| Taxes | 2,719,785 | 69,757 | 461,982 | 13 |
| Intergovernmental | 9,749 | 583,521 | 0 | 0 |
| Interfund | 57,209 | 0 | 0 | 0 |
| Accrued Interest | 18,519 | 0 | 0 | 0 |
| Inventory Held for Resale | 0 | 0 | 0 | 0 |
| Prepaid Items | 9,551 | 0 | 0 | 0 |
| <i>Restricted Assets:</i> | | | | |
| Cash and Cash Equivalents | 251,529 | 0 | 0 | 0 |
| Fixed Assets (Net of Accumulated Depreciation) | 0 | 0 | 0 | 0 |
| <u>Other Debits:</u> | | | | |
| Amount Available in Debt Service Fund for | | | | |
| Retirement of General Obligation Bonds | 0 | 0 | 0 | 0 |
| Amount to be Provided from | | | | |
| General Government Resources | 0 | 0 | 0 | 0 |
| Total Assets and Other Debits | <u>\$8,388,680</u> | <u>\$1,653,835</u> | <u>\$748,524</u> | <u>\$1,803,827</u> |
| <u>Liabilities, Fund Equity and Other Credits:</u> | | | | |
| <u>Liabilities:</u> | | | | |
| Accounts Payable | \$38,570 | \$45,389 | \$0 | \$0 |
| Contracts Payable | 0 | 77,082 | 0 | 74,363 |
| Accrued Wages and Benefits Payable | 1,026,225 | 291,850 | 0 | 0 |
| Compensated Absences Payable | 1,532 | 0 | 0 | 0 |
| Intergovernmental Payable | 213,732 | 37,195 | 0 | 0 |
| Interfund Payable | 0 | 0 | 0 | 55,262 |
| Deferred Revenue | 2,719,785 | 583,278 | 461,982 | 13 |
| Due to Students | 0 | 0 | 0 | 0 |
| Capital Leases Payable | 0 | 0 | 0 | 0 |
| General Obligation Bonds Payable | 0 | 0 | 0 | 0 |
| Total Liabilities | <u>3,999,844</u> | <u>1,034,794</u> | <u>461,982</u> | <u>129,638</u> |
| <u>Fund Equity and Other Credits:</u> | | | | |
| Investment in General Fixed Assets | 0 | 0 | 0 | 0 |
| <i>Retained Earnings:</i> | | | | |
| Unreserved | 0 | 0 | 0 | 0 |
| <i>Fund Balance:</i> | | | | |
| Reserved for Encumbrances | 399,102 | 135,253 | 0 | 135,989 |
| Reserved for Statutory Set-Asides | 251,529 | 0 | 0 | 0 |
| <i>Unreserved:</i> | | | | |
| Undesignated | 3,738,205 | 483,788 | 286,542 | 1,538,200 |
| Total Fund Equity and Other Credits | <u>4,388,836</u> | <u>619,041</u> | <u>286,542</u> | <u>1,674,189</u> |
| Total Liabilities, Fund Equity and Other Credits | <u>\$8,388,680</u> | <u>\$1,653,835</u> | <u>\$748,524</u> | <u>\$1,803,827</u> |

See accompanying notes to the general purpose financial statements.

| <i>PROPRIETARY FUND TYPES</i> | | <i>FIDUCIARY FUND TYPES</i> | <i>ACCOUNT GROUPS</i> | | Totals (Memorandum Only) |
|-----------------------------------|---------------------|---------------------------------|----------------------------|-------------------------------------|--------------------------------|
| Enterprise | Internal Service | Trust and Agency | General Fixed Assets | General Long-Term Obligations | |
| \$75,926 | \$144,875 | \$42,751 | \$0 | \$0 | \$8,676,803 |
| 0 | 0 | 0 | 0 | 0 | 3,251,537 |
| 52,840 | 0 | 0 | 0 | 0 | 646,110 |
| 0 | 0 | 0 | 0 | 0 | 57,209 |
| 0 | 0 | 0 | 0 | 0 | 18,519 |
| 9,529 | 0 | 0 | 0 | 0 | 9,529 |
| 0 | 0 | 0 | 0 | 0 | 9,551 |
| 0 | 0 | 0 | 0 | 0 | 251,529 |
| 55,676 | 2,570 | 0 | 24,156,285 | 0 | 24,214,531 |
| 0 | 0 | 0 | 0 | 286,542 | 286,542 |
| 0 | 0 | 0 | 0 | 4,924,216 | 4,924,216 |
| <u>\$193,971</u> | <u>\$147,445</u> | <u>\$42,751</u> | <u>\$24,156,285</u> | <u>\$5,210,758</u> | <u>\$42,346,076</u> |
| \$3,993 | \$0 | \$0 | \$0 | \$0 | \$87,952 |
| 0 | 0 | 0 | 0 | 0 | 151,445 |
| 43,706 | 0 | 0 | 0 | 0 | 1,361,781 |
| 8,048 | 0 | 0 | 0 | 459,535 | 469,115 |
| 17,952 | 0 | 0 | 0 | 106,366 | 375,245 |
| 0 | 0 | 1,947 | 0 | 0 | 57,209 |
| 5,133 | 0 | 0 | 0 | 0 | 3,770,191 |
| 0 | 0 | 40,804 | 0 | 0 | 40,804 |
| 0 | 0 | 0 | 0 | 49,857 | 49,857 |
| 0 | 0 | 0 | 0 | 4,595,000 | 4,595,000 |
| <u>78,832</u> | <u>0</u> | <u>42,751</u> | <u>0</u> | <u>5,210,758</u> | <u>10,958,599</u> |
| 0 | 0 | 0 | 24,156,285 | 0 | 24,156,285 |
| 115,139 | 147,445 | 0 | 0 | 0 | 262,584 |
| 0 | 0 | 0 | 0 | 0 | 670,344 |
| 0 | 0 | 0 | 0 | 0 | 251,529 |
| 0 | 0 | 0 | 0 | 0 | 6,046,735 |
| <u>115,139</u> | <u>147,445</u> | <u>0</u> | <u>24,156,285</u> | <u>0</u> | <u>31,387,477</u> |
| <u>\$193,971</u> | <u>\$147,445</u> | <u>\$42,751</u> | <u>\$24,156,285</u> | <u>\$5,210,758</u> | <u>\$42,346,076</u> |

VINTON COUNTY LOCAL SCHOOL DISTRICT
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 2001

| | GOVERNMENTAL FUND TYPES | | | |
|--|--------------------------------|--------------------|------------------|---------------------|
| | General | Special Revenue | Debt Service | Capital Projects |
| <u>Revenues:</u> | | | | |
| Taxes | \$2,421,664 | \$64,297 | \$426,924 | \$12 |
| Intergovernmental | 9,866,560 | 3,231,163 | 47,241 | 222,831 |
| Interest | 439,266 | 0 | 0 | 136,731 |
| Tuition and Fees | 79,703 | 0 | 0 | 0 |
| Rent | 80 | 0 | 0 | 0 |
| Extracurricular Activities | 0 | 186,525 | 0 | 0 |
| Gifts and Donations | 200 | 41,969 | 0 | 0 |
| Customer Services | 719 | 0 | 0 | 0 |
| Miscellaneous | 182,641 | 23,571 | 0 | 15,175 |
| Total Revenues | 12,990,833 | 3,547,525 | 474,165 | 374,749 |
| <u>Expenditures:</u> | | | | |
| <i>Current:</i> | | | | |
| <i>Instruction:</i> | | | | |
| Regular | 4,893,249 | 1,301,060 | 0 | 0 |
| Special | 1,196,147 | 504,380 | 0 | 0 |
| Vocational | 177,382 | 0 | 0 | 0 |
| Other | 74,081 | 0 | 0 | 0 |
| <i>Support Services:</i> | | | | |
| Pupils | 453,637 | 633,420 | 0 | 0 |
| Instructional Staff | 525,922 | 434,190 | 0 | 0 |
| Board of Education | 288,716 | 2,858 | 18,976 | 0 |
| Administration | 1,097,348 | 467,874 | 0 | 0 |
| Fiscal | 198,608 | 0 | 0 | 0 |
| Operation and Maintenance of Plant | 1,425,124 | 91,266 | 0 | 0 |
| Pupil Transportation | 1,101,943 | 26,418 | 0 | 0 |
| Non-Instructional Services | 59,464 | 0 | 0 | 0 |
| Extracurricular Activities | 91,597 | 98,375 | 0 | 0 |
| Capital Outlay | 203,954 | 0 | 0 | 3,012,324 |
| <i>Debt Service:</i> | | | | |
| Principal Retirement | 11,808 | 0 | 135,000 | 0 |
| Interest and Fiscal Charges | 20,481 | 0 | 229,634 | 0 |
| Total Expenditures | 11,819,461 | 3,559,841 | 383,610 | 3,012,324 |
| Excess of Revenues Over (Under) Expenditures | 1,171,372 | (12,316) | 90,555 | (2,637,575) |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Operating Transfers In | 0 | 0 | 0 | 240,023 |
| Proceeds From Sale of Fixed Assets | 1,603 | 0 | 0 | 0 |
| Inception of Capital Leases | 3,896 | 0 | 0 | 0 |
| Operating Transfers Out | (244,873) | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | (239,374) | 0 | 0 | 240,023 |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | 931,998 | (12,316) | 90,555 | (2,397,552) |
| Fund Balances (Deficit) at Beginning of Year, As Restated | 3,456,838 | 631,357 | 195,987 | 4,071,741 |
| Fund Balances (Deficit) at End of Year | <u>\$4,388,836</u> | <u>\$619,041</u> | <u>\$286,542</u> | <u>\$1,674,189</u> |

See accompanying notes to the general purpose financial statements.

| Expendable Trust | Totals (Memorandum Only) |
|---------------------|--------------------------------|
| \$0 | \$2,912,897 |
| 0 | 13,367,795 |
| 0 | 575,997 |
| 0 | 79,703 |
| 0 | 80 |
| 0 | 186,525 |
| 0 | 42,169 |
| 0 | 719 |
| 0 | 221,387 |
| 0 | 17,387,272 |
| 0 | 6,194,309 |
| 0 | 1,700,527 |
| 0 | 177,382 |
| 0 | 74,081 |
| 0 | 1,087,057 |
| 0 | 960,112 |
| 0 | 310,550 |
| 0 | 1,565,222 |
| 0 | 198,608 |
| 0 | 1,516,390 |
| 0 | 1,128,361 |
| 0 | 59,464 |
| 0 | 189,972 |
| 0 | 3,216,278 |
| 0 | 146,808 |
| 0 | 250,115 |
| 0 | 18,775,236 |
| 0 | (1,387,964) |
| 0 | 240,023 |
| 0 | 1,603 |
| 0 | 3,896 |
| 0 | (244,873) |
| 0 | 649 |
| 0 | (1,387,315) |
| 0 | 8,355,923 |
| \$0 | \$6,968,608 |

VINTON COUNTY LOCAL SCHOOL DISTRICT
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Budget Basis)
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 2001

| | GENERAL FUND | | |
|--|---------------------|--------------------|--|
| | Revised Budget | Actual | Variance Favorable (Unfavorable) |
| <u>Revenues:</u> | | | |
| Taxes | \$2,515,996 | \$2,515,600 | (\$396) |
| Intergovernmental | 9,718,452 | 9,880,430 | 161,978 |
| Interest | 426,749 | 450,421 | 23,672 |
| Tuition and Fees | 78,407 | 79,703 | 1,296 |
| Rent | 168 | 80 | (88) |
| Extracurricular Activities | 0 | 0 | 0 |
| Gifts and Donations | 200 | 200 | 0 |
| Customer Services | 957 | 719 | (238) |
| Miscellaneous | 211,069 | 188,168 | (22,901) |
| <i>Total Revenues</i> | <u>12,951,998</u> | <u>13,115,321</u> | <u>163,323</u> |
| <u>Expenditures:</u> | | | |
| <i>Current:</i> | | | |
| <i>Instruction:</i> | | | |
| Regular | 5,116,597 | 4,994,276 | 122,321 |
| Special | 1,229,443 | 1,208,108 | 21,335 |
| Vocational | 227,440 | 176,337 | 51,103 |
| Other | 75,510 | 75,327 | 183 |
| <i>Support Services:</i> | | | |
| Pupils | 484,300 | 454,521 | 29,779 |
| Instructional Staff | 636,165 | 567,412 | 68,753 |
| Board of Education | 304,562 | 287,410 | 17,152 |
| Administration | 1,149,980 | 1,112,256 | 37,724 |
| Fiscal | 214,971 | 200,824 | 14,147 |
| Operation and Maintenance of Plant | 1,610,736 | 1,560,584 | 50,152 |
| Pupil Transportation | 1,227,208 | 1,180,637 | 46,571 |
| Central | 488 | 0 | 488 |
| Non-Instructional Services | 53,850 | 51,528 | 2,322 |
| Extracurricular Activities | 93,499 | 91,568 | 1,931 |
| Capital Outlay | 356,174 | 354,794 | 1,380 |
| <i>Debt Service:</i> | | | |
| Principal Retirement | 0 | 0 | 0 |
| Interest and Fiscal Charges | 0 | 0 | 0 |
| <i>Total Expenditures</i> | <u>12,780,923</u> | <u>12,315,582</u> | <u>465,341</u> |
| Excess of Revenues Over (Under) Expenditures | 171,075 | 799,739 | 628,664 |
| <u>Other Financing Sources (Uses):</u> | | | |
| Operating Transfers In | 5,141 | 5,075 | (66) |
| Proceeds From Sale of Fixed Assets | 3,566 | 1,603 | (1,963) |
| Advances In | 141,558 | 141,558 | 0 |
| Operating Transfers Out | (250,233) | (249,948) | 285 |
| Advances Out | (2,904) | 1,947 | 4,851 |
| <i>Total Other Financing Sources (Uses)</i> | <u>(102,872)</u> | <u>(99,765)</u> | <u>3,107</u> |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | 68,203 | 699,974 | 631,771 |
| Fund Balances at Beginning of Year | 4,247,888 | 4,247,888 | 0 |
| Prior Year Encumbrances Appropriated | 213,455 | 213,455 | 0 |
| Fund Balances at End of Year | <u>\$4,529,546</u> | <u>\$5,161,317</u> | <u>\$631,771</u> |

See accompanying notes to the general purpose financial statements.

GOVERNMENTAL FUND TYPES

| <i>SPECIAL REVENUE FUNDS</i> | | | <i>DEBT SERVICE FUND</i> | | |
|------------------------------|------------------|----------------------------------|--------------------------|------------------|----------------------------------|
| Revised Budget | Actual | Variance Favorable (Unfavorable) | Revised Budget | Actual | Variance Favorable (Unfavorable) |
| \$64,494 | \$64,297 | (\$197) | \$427,198 | \$426,924 | (\$274) |
| 3,984,473 | 3,288,396 | (696,077) | 47,241 | 47,241 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 154,271 | 186,525 | 32,254 | 0 | 0 | 0 |
| 42,481 | 41,969 | (512) | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 30,926 | 23,571 | (7,355) | 0 | 0 | 0 |
| <u>4,276,645</u> | <u>3,604,758</u> | <u>(671,887)</u> | <u>474,439</u> | <u>474,165</u> | <u>(274)</u> |
| 1,875,003 | 1,340,471 | 534,532 | 0 | 0 | 0 |
| 750,204 | 521,983 | 228,221 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 875,973 | 601,189 | 274,784 | 0 | 0 | 0 |
| 582,381 | 436,993 | 145,388 | 0 | 0 | 0 |
| 2,887 | 2,858 | 29 | 19,268 | 18,976 | 292 |
| 654,224 | 477,148 | 177,076 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 91,312 | 108,810 | (17,498) | 0 | 0 | 0 |
| 39,631 | 29,070 | 10,561 | 0 | 0 | 0 |
| 50 | 0 | 50 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 103,365 | 109,060 | (5,695) | 0 | 0 | 0 |
| 100,000 | 0 | 100,000 | 0 | 0 | 0 |
| 0 | 0 | 0 | 135,392 | 135,000 | 392 |
| 0 | 0 | 0 | <u>230,092</u> | <u>229,634</u> | <u>458</u> |
| <u>5,075,030</u> | <u>3,627,582</u> | <u>1,447,448</u> | <u>384,752</u> | <u>383,610</u> | <u>1,142</u> |
| (798,385) | (22,824) | 775,561 | 89,687 | 90,555 | 868 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>(123,280)</u> | <u>(141,558)</u> | <u>(18,278)</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>(123,280)</u> | <u>(141,558)</u> | <u>(18,278)</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| (921,665) | (164,382) | 757,283 | 89,687 | 90,555 | 868 |
| 683,799 | 683,799 | 0 | 195,987 | 195,987 | 0 |
| 224,806 | 224,806 | 0 | 0 | 0 | 0 |
| <u>(\$13,060)</u> | <u>\$744,223</u> | <u>\$757,283</u> | <u>\$285,674</u> | <u>\$286,542</u> | <u>\$868</u> |

(Continued)

VINTON COUNTY LOCAL SCHOOL DISTRICT
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Budget Basis)
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 2001

| | CAPITAL PROJECTS FUNDS | | |
|--|-------------------------------|--------------------|--|
| | Revised Budget | Actual | Variance Favorable (Unfavorable) |
| <u>Revenues:</u> | | | |
| Taxes | \$12 | \$12 | \$0 |
| Intergovernmental | 222,831 | 222,831 | 0 |
| Interest | 140,602 | 141,978 | 1,376 |
| Tuition and Fees | 0 | 0 | 0 |
| Rent | 0 | 0 | 0 |
| Extracurricular Activities | 0 | 0 | 0 |
| Gifts and Donations | 0 | 0 | 0 |
| Customer Services | 0 | 0 | 0 |
| Miscellaneous | 15,175 | 15,175 | 0 |
| Total Revenues | 378,620 | 379,996 | 1,376 |
| <u>Expenditures:</u> | | | |
| <i>Current:</i> | | | |
| <i>Instruction:</i> | | | |
| Regular | 0 | 0 | 0 |
| Special | 0 | 0 | 0 |
| Vocational | 0 | 0 | 0 |
| Other | 0 | 0 | 0 |
| <i>Support Services:</i> | | | |
| Pupils | 0 | 0 | 0 |
| Instructional Staff | 0 | 0 | 0 |
| Board of Education | 0 | 0 | 0 |
| Administration | 0 | 0 | 0 |
| Fiscal | 0 | 0 | 0 |
| Operation and Maintenance of Plant | 0 | 0 | 0 |
| Pupil Transportation | 0 | 0 | 0 |
| Central | 0 | 0 | 0 |
| Non-Instructional Services | 0 | 0 | 0 |
| Extracurricular Activities | 0 | 0 | 0 |
| Capital Outlay | 4,742,384 | 4,196,077 | 546,307 |
| <i>Debt Service:</i> | | | |
| Principal Retirement | 0 | 0 | 0 |
| Interest and Fiscal Charges | 0 | 0 | 0 |
| Total Expenditures | 4,742,384 | 4,196,077 | 546,307 |
| Excess of Revenues Over (Under) Expenditures | (4,363,764) | (3,816,081) | 547,683 |
| <u>Other Financing Sources (Uses):</u> | | | |
| Operating Transfers In | 240,023 | 240,023 | 0 |
| Proceeds From Sale of Fixed Assets | 0 | 0 | 0 |
| Advances In | 0 | 0 | 0 |
| Operating Transfers Out | 0 | 0 | 0 |
| Advances Out | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | 240,023 | 240,023 | 0 |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (4,123,741) | (3,576,058) | 547,683 |
| Fund Balances at Beginning of Year | 4,935,866 | 4,935,866 | 0 |
| Prior Year Encumbrances Appropriated | 302,980 | 302,980 | 0 |
| Fund Balances at End of Year | \$1,115,105 | \$1,662,788 | \$547,683 |

See accompanying notes to the general purpose financial statements.

| <i>EXPENDABLE TRUST FUND</i> | | | | <i>TOTALS (MEMORANDUM ONLY)</i> | | |
|------------------------------|--------|--|-------------------|---------------------------------|--|--|
| Revised Budget | Actual | Variance Favorable (Unfavorable) | Revised Budget | Actual | Variance Favorable (Unfavorable) | |
| \$0 | \$0 | \$0 | \$3,007,700 | \$3,006,833 | (\$867) | |
| 0 | 0 | 0 | 13,972,997 | 13,438,898 | (534,099) | |
| 0 | 0 | 0 | 567,351 | 592,399 | 25,048 | |
| 0 | 0 | 0 | 78,407 | 79,703 | 1,296 | |
| 0 | 0 | 0 | 168 | 80 | (88) | |
| 0 | 0 | 0 | 154,271 | 186,525 | 32,254 | |
| 0 | 0 | 0 | 42,681 | 42,169 | (512) | |
| 0 | 0 | 0 | 957 | 719 | (238) | |
| 0 | 0 | 0 | 257,170 | 226,914 | (30,256) | |
| 0 | 0 | 0 | 18,081,702 | 17,574,240 | (507,462) | |
| 0 | 0 | 0 | 6,991,600 | 6,334,747 | 656,853 | |
| 0 | 0 | 0 | 1,979,647 | 1,730,091 | 249,556 | |
| 0 | 0 | 0 | 227,440 | 176,337 | 51,103 | |
| 0 | 0 | 0 | 75,510 | 75,327 | 183 | |
| 0 | 0 | 0 | 1,360,273 | 1,055,710 | 304,563 | |
| 18 | 0 | 18 | 1,218,564 | 1,004,405 | 214,159 | |
| 0 | 0 | 0 | 326,717 | 309,244 | 17,473 | |
| 0 | 0 | 0 | 1,804,204 | 1,589,404 | 214,800 | |
| 0 | 0 | 0 | 214,971 | 200,824 | 14,147 | |
| 36 | 0 | 36 | 1,702,084 | 1,669,394 | 32,690 | |
| 0 | 0 | 0 | 1,266,839 | 1,209,707 | 57,132 | |
| 0 | 0 | 0 | 538 | 0 | 538 | |
| 0 | 0 | 0 | 53,850 | 51,528 | 2,322 | |
| 0 | 0 | 0 | 196,864 | 200,628 | (3,764) | |
| 0 | 0 | 0 | 5,198,558 | 4,550,871 | 647,687 | |
| 0 | 0 | 0 | 135,392 | 135,000 | 392 | |
| 0 | 0 | 0 | 230,092 | 229,634 | 458 | |
| 54 | 0 | 54 | 22,983,143 | 20,522,851 | 2,460,292 | |
| (54) | 0 | 54 | (4,901,441) | (2,948,611) | 1,952,830 | |
| 0 | 0 | 0 | 245,164 | 245,098 | (66) | |
| 0 | 0 | 0 | 3,566 | 1,603 | (1,963) | |
| 0 | 0 | 0 | 141,558 | 141,558 | 0 | |
| 0 | 0 | 0 | (250,233) | (249,948) | 285 | |
| 0 | 0 | 0 | (126,184) | (139,611) | (13,427) | |
| 0 | 0 | 0 | 13,871 | (1,300) | (15,171) | |
| (54) | 0 | 54 | (4,887,570) | (2,949,911) | 1,937,659 | |
| 0 | 0 | 0 | 10,063,540 | 10,063,540 | 0 | |
| 0 | 0 | 0 | 741,241 | 741,241 | 0 | |
| (\$54) | \$0 | \$54 | \$5,917,211 | \$7,854,870 | \$1,937,659 | |

VINTON COUNTY LOCAL SCHOOL DISTRICT
Combined Statement of Revenues,
Expenses and Changes in Retained Earnings
Proprietary Fund Types
For the Fiscal Year Ended June 30, 2001

| | Enterprise | Internal Service | Totals (Memorandum Only) |
|--|------------------|---------------------|--------------------------------|
| <u>Operating Revenues:</u> | | | |
| Sales | \$298,417 | \$0 | \$298,417 |
| Charges for Services | 0 | 411,026 | 411,026 |
| Other Operating Revenues | 460 | 39,851 | 40,311 |
| <i>Total Operating Revenues</i> | <u>298,877</u> | <u>450,877</u> | <u>749,754</u> |
| <u>Operating Expenses:</u> | | | |
| Salaries | 220,767 | 0 | 220,767 |
| Fringe Benefits | 145,837 | 0 | 145,837 |
| Purchased Services | 11,202 | 278,931 | 290,133 |
| Materials and Supplies | 111,126 | 0 | 111,126 |
| Cost of Sales | 320,863 | 0 | 320,863 |
| Depreciation | 5,873 | 396 | 6,269 |
| Claims | 0 | 354,028 | 354,028 |
| Other Operating Expenses | 180 | 0 | 180 |
| <i>Total Operating Expenses</i> | <u>815,848</u> | <u>633,355</u> | <u>1,449,203</u> |
| Operating Income (Loss) | (516,971) | (182,478) | (699,449) |
| <u>Nonoperating Revenues:</u> | | | |
| Federal Donated Commodities | 71,571 | 0 | 71,571 |
| Interest Income | 886 | 297 | 1,183 |
| Federal and State Subsidies | 439,966 | 0 | 439,966 |
| <i>Total Nonoperating Revenues</i> | <u>512,423</u> | <u>297</u> | <u>512,720</u> |
| Income (Loss) Before Operating Transfers | (4,548) | (182,181) | (186,729) |
| Operating Transfers-In | 4,850 | 0 | 4,850 |
| Net Income (Loss) | 302 | (182,181) | (181,879) |
| Retained Earnings at Beginning of Year | <u>114,837</u> | <u>329,626</u> | <u>444,463</u> |
| Retained Earnings at End of Year | <u>\$115,139</u> | <u>\$147,445</u> | <u>\$262,584</u> |

See accompanying notes to the general purpose financial statements.

VINTON COUNTY LOCAL SCHOOL DISTRICT
Combined Statement of Cash Flows
Proprietary Fund Types
For the Fiscal Year Ended June 30, 2001

| | Enterprise | Internal Service | Totals (Memorandum Only) |
|---|-------------|---------------------|--------------------------------|
| <u>Increase (Decrease) in Cash and Cash Equivalents:</u> | | | |
| <u>Cash Flows from Operating Activities:</u> | | | |
| Cash Received from Sales | \$298,417 | \$0 | \$298,417 |
| Cash Received from Quasi-External Transactions with Other Funds | 0 | 411,026 | 411,026 |
| Cash Payments for Employees Services and Benefits | (370,836) | 0 | (370,836) |
| Cash Payments to Suppliers for Goods and Services | (369,340) | (278,931) | (648,271) |
| Cash Payments for Claims | 0 | (422,903) | (422,903) |
| Other Operating Revenues | 460 | 39,851 | 40,311 |
| Other Operating Expenses | (180) | 0 | (180) |
| <i>Net Cash from Operating Activities</i> | (441,479) | (250,957) | (692,436) |
| <u>Cash Flows from Noncapital Financing Activities:</u> | | | |
| Operating Grants Received | 387,126 | 0 | 387,126 |
| Transfers-In from Other Funds | 4,850 | 0 | 4,850 |
| <i>Net Cash from Noncapital Financing Activities</i> | 391,976 | 0 | 391,976 |
| <u>Cash Flows from Investing Activities:</u> | | | |
| Interest Received on Investments | 886 | 297 | 1,183 |
| <i>Net Cash from Investing Activities</i> | 886 | 297 | 1,183 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (48,617) | (250,660) | (299,277) |
| Cash and Cash Equivalents at Beginning of Year | 124,543 | 395,535 | 520,078 |
| Cash and Cash Equivalents at End of Year | \$75,926 | \$144,875 | \$220,801 |
| <u>Reconciliation of Operating Income (Loss)</u> | | | |
| <u>to Net Cash from Operating Activities:</u> | | | |
| Operating Income (Loss) | (\$516,971) | (\$182,478) | (\$699,449) |
| <u>Adjustments to Reconcile Operating Income (Loss)</u> | | | |
| <u>to Net Cash from Operating Activities:</u> | | | |
| Depreciation | 5,873 | 396 | 6,269 |
| Donated Commodities Used During Year | 71,571 | 0 | 71,571 |
| <u>Changes in Assets and Liabilities:</u> | | | |
| (Increase) Decrease in Inventory Held for Resale | (2,560) | 0 | (2,560) |
| Increase (Decrease) in Accounts Payable | 3,993 | 0 | 3,993 |
| Increase (Decrease) in Accrued Wages and Benefits Payable | (7,287) | 0 | (7,287) |
| Increase (Decrease) in Intergovernmental Payable | 2,590 | 0 | 2,590 |
| Increase (Decrease) in Compensated Absences Payable | 465 | 0 | 465 |
| Increase (Decrease) in Deferred Revenue | 847 | 0 | 847 |
| Increase (Decrease) in Claims Payable | 0 | (68,875) | (68,875) |
| Total Adjustments | 75,492 | (68,479) | 7,013 |
| Net Cash from Operating Activities | (\$441,479) | (\$250,957) | (\$692,436) |

See accompanying notes to the general purpose financial statements.

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VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Description of the School District

Vinton County Local School District (the "District") is organized under Article VI, Section 2 and 3 of the Constitution of the State of Ohio. The District provides educational services as authorized by State statute and/or federal guidelines. The District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The Board controls the District's seven (7) instructional support facilities staffed by 113 non-certificated, 216 teaching personnel, and 12 administrative employees providing education to approximately 2,451 students.

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

Reporting Entity

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

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

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

- Parent Teacher Organization
- Booster Club

The District is associated with four organizations, three of which are defined as jointly governed organizations, and one is a group purchasing pool. These organizations are the South Central Ohio Computer Association, the Gallia-Jackson-Vinton Joint Vocational School District, the Gallia-Vinton Educational Service Center, and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 19 and 20 to the general purpose financial statements.

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation - Fund-Accounting

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

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

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

Governmental Fund Types:

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

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

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

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

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

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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

Proprietary Fund Types:

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

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

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

Fiduciary Fund Types:

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

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

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

Account Groups:

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

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

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

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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

Measurement Focus and Basis of Accounting

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

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

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

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

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

The District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2001 and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2002 operations, have been recorded as deferred revenue.

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

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

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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

Budgetary Data

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

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

Estimated Resources: Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which state the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2001.

Appropriations: Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation resolution, 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 objective 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. During the year, three supplemental appropriations were legally enacted. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions.

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

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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

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

Cash and Investments

To improve cash management, all cash received by the District is pooled in a central bank account. Monies for all funds, including proprietary funds are maintained in this account or temporarily used to purchase short term investments. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Cash and Cash Equivalents" on the combined balance sheet. During fiscal year 2001, the District's investments were limited to STAROhio, and certificates of deposit.

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.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2001. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2001.

The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2001 amounted to \$439,266, which includes \$175,426 assigned from other District funds. In addition, the Capital Project Funds, the Enterprise Funds, and the Internal Service Funds received \$136,731, \$886, and \$297, respectively, in interest revenue.

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

Inventory

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserved in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. The District had no material and supplies in the governmental funds as of June 30, 2001. Inventories of proprietary funds consist of donated food, purchased food, lunchroom supplies, and school supplies held for resale and are expended when used.

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2001 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Restricted Assets

Restricted assets in the General Fund represent cash and cash equivalents set aside to establish a reserve for textbooks, and capital improvements in accordance with State statute. A reserve for budget stabilization is no longer required by State statute and any balance remaining in the previously required budget reserve can be used with certain restrictions, at the discretion of the Board of Education. A corresponding fund balance reserve has also been established for each set aside amount.

Fixed Assets and Depreciation

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

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

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

Intergovernmental Revenues

Intergovernmental revenues are generally received from reimbursable, nonreimbursable and entitlement type grant programs. These grant programs involve transactions that are categorized as either government-mandated or voluntary nonexchange transactions. For governmental funds, intergovernmental revenues from government-mandated and voluntary nonexchange transactions are recorded as a receivable when all eligibility requirements are met, and as revenue when the resources are available. Revenues that are not available in the current period are deferred. For proprietary funds, intergovernmental revenues from government-mandated and voluntary nonexchange transactions are recorded as a receivable and revenue when all eligibility requirements are met. Revenues received before the eligibility requirements are met are deferred.

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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

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

Entitlements

General Fund

State Foundation Program

State Property Tax Relief

Nonreimbursable Grants

Special Revenue Funds

Disadvantaged Pupil Impact Aid (DPIA)

Education Management Information Systems (EMIS)

Public School Preschool

Dwight D. Eisenhower Professional Development

Reading Improvement Grant

Title I

Title VI

Title VI-B

Title VI-R

Drug Free Schools Program

Professional Development

Goals 2000 Intervention

Ohio Reads

FEMA

School to Work

Dental Sealant

ARSI - Math and Science

Proficiency Intervention

Martha Holden Jennings Grant

Tech Equity Grant

Summer Intervention

Vocational Education Enhancements

Character Education

Safe & Drug Free Schools

Alternative School

School Improvement Incentive

Parent Mentor

Family & School Partnership

Continuous Improvement Planning

21st Century Learning Center

Capital Projects Funds

School Net

Scrap Tire Project

Reimbursable Grants

General Fund

School Bus Purchase Reimbursement

Driver Education Reimbursement

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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

Enterprise Funds

National School Lunch Program
National School Breakfast Program
Government Donated Commodities

Grant and entitlements amounted to approximately seventy-six percent of the District's revenue during the 2001 fiscal year.

Interfund Assets/Liabilities

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

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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

Interfund Transactions

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

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

Fund Balance Reserves

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available spendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that a portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, and statutory set-asides.

Estimates

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

Total Columns on General Purpose Financial Statements

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

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENTS

The District has implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions" and GASB Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues."

GASB Statement No. 33 establishes accounting and financial reporting guidelines about when to report the results of nonexchange transactions. GASB Statement No. 36 is a modification to the provisions of GASB Statement No. 33 for certain specific nonexchange revenues. The implementation of these statements required a prior period adjustment to accrue \$127,233 as intergovernmental revenue in the Special Revenue Funds. This adjustment had the effect of increasing fund balance in the Special Revenue Funds from the previous balance of \$504,124 to the restated balance of \$631,357.

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budget basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis), All Governmental Fund Types and Expendable Trust Fund is presented on the budget basis to provide a meaningful comparison of actual results with the budget. Advances In and Out do not equal due to an Agency Fund advance. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types.
4. Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

| Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources All Governmental Fund Types and Expendable Trust Fund | | | |
|--|------------------|--------------------|----------------------|
| | General | Special Revenue | Capital Projects |
| GAAP Basis | \$931,998 | (\$12,316) | (\$2,397,552) |
| <i>Adjustments:</i> | | | |
| Revenue Accruals | 124,488 | 57,233 | 5,247 |
| Expenditure Accruals | (496,121) | (67,741) | (1,183,753) |
| Other Financing Sources/Uses | 139,609 | (141,558) | 0 |
| Budget Basis | <u>\$699,974</u> | <u>(\$164,382)</u> | <u>(\$3,576,058)</u> |

The Debt Service and Expendable Trust Funds are not presented since there were no differences between the GAAP basis and budget basis statements.

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 5 -ACCOUNTABILITY AND COMPLIANCE

Fund Deficits

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

| | |
|-------------------------------|---------|
| <i>Special Revenue Funds:</i> | |
| Title VI-B Grant | \$4,239 |
| Title VI Grant | 3,548 |
| <i>Capital Project Fund:</i> | |
| Emergency Building Repair | 15,085 |
| <i>Enterprise Fund:</i> | |
| Uniform School Supplies | 2,291 |

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

Compliance

The School District had expenditures plus encumbrances in excess of appropriations at year end, with in the Special Revenue Funds and Capital Project Funds, contrary to Section 5705.41, Ohio Revised Code.

Current year appropriations to date exceeded total estimated resources, (estimated receipts plus unencumbered fund balance to date), at year end, with in the Special Revenue Funds, Expendable Trust Fund and Internal Service Funds contrary to Section 5705.39, Ohio Revised Code.

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 6 - CASH, DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

- (1) United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
- (2) Bonds, Notes, Debentures, or any other obligations or securities issued by any federal government or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- (3) Written repurchase agreements in the securities listed above, provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to fair value daily, and that the term of the agreement must not exceed thirty days;
- (4) Bonds and other obligations of the State of Ohio;
- (5) No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section, and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- (6) The State Treasurer's investment pool (STAROhio); and
- (7) Certain banker's acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the date of purchase in an amount not to exceed twenty-five percent of interim monies available for investment at any time.

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 6 - CASH, DEPOSITS AND INVESTMENTS - (Continued)

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

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

Deposits: At year-end, the carrying amount of the District's deposits was \$2,249,011, and the bank balance was \$2,543,519. Of the bank balance, \$460,902 was covered by federal depository insurance. The remaining amounts were protected by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal 105 percent of public funds on deposit. Although the securities serving as collateral were held by the pledging financial institutions' trust department in the District's name and all State statutory requirements for the investments of money had been followed, noncompliance with federal requirements would potentially subject the money to a successful claim by the Federal Deposit Insurance Corporation.

Investments: The District's investments are required to be categorized to give an indication of the level of risk assumed by the District at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the District's name. STAROhio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form. The carrying amount and the fair value at June 30, 2001 was \$6,679,321.

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

| | Cash and Cash Equivalents/Deposits | Investments |
|----------------------|---------------------------------------|-------------|
| GASB Statement No. 9 | \$8,928,332 | \$0 |
| <i>Investments:</i> | | |
| STAROhio | (6,679,321) | 6,679,321 |
| GASB Statement No. 3 | \$2,249,011 | \$6,679,321 |

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 7 - PROPERTY TAXES

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

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

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

The District receives property taxes from Vinton, Gallia, Jackson and Hocking Counties. The County Auditors periodically advance to the District their portion of the taxes collected. Second-half real property tax payments collected by each county by June 30, 2001 are available to finance fiscal year 2001 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2001. Although total property tax collections for the fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2001 is reported as fund balance - reserved for property taxes. As of June 30, 2001, there were no amounts available as an advance to the District.

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

| | 2000 Second- Half Collections | | 2001 First- Half Collections | |
|---|----------------------------------|----------------|---------------------------------|----------------|
| | Amount | Percent | Amount | Percent |
| Agricultural/Residential and Other Real Estate | \$85,560,110 | 69.43% | \$99,738,910 | 73.50% |
| Public Utility Personal | 24,393,580 | 19.79% | 22,324,841 | 16.40% |
| Tangible Personal Property | 13,280,405 | 10.78% | 13,686,885 | 10.10% |
| Total Assessed Value | <u>\$123,234,095</u> | <u>100.00%</u> | <u>\$135,750,636</u> | <u>100.00%</u> |
| Tax Rate per \$1,000 of Assessed Valuation | | \$22.52 | | \$22.52 |

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 8 - RECEIVABLES

Receivables at June 30, 2001 consisted of taxes, accounts (rent and student fees) and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

| | |
|-----------------------------------|-----------|
| <i>General Fund:</i> | |
| Income Tax | \$9,749 |
| <i>Special Revenue Funds:</i> | |
| Title I | 155,852 |
| Miscellaneous Federal Grants | 427,669 |
| | 583,521 |
| <i>Enterprise Fund:</i> | |
| Food Service | 52,840 |
| | 52,840 |
| Total All Funds | \$646,110 |

NOTE 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2001, the District contracted with various commercial carriers for property and fleet insurance, liability insurance, inland marine coverage, and public official bonds. Coverages provided are as follows:

| | |
|---|--------------|
| Building and Contents - replacement cost (\$100 deductible) | \$44,824,680 |
| Inland Marine Coverage (\$250 deductible) | 2,500,000 |
| Musical Instruments (\$100 deductible) | 70,938 |
| Automobile Liability (\$100 deductible): | |
| Per Person | 1,000,000 |
| Per Accident | 3,000,000 |
| Uninsured Motorists (\$100 deductible): | |
| Per Person | 1,000,000 |
| Per Accident | 3,000,000 |
| General Liability: | |
| Per Occurrence | 1,000,000 |
| Total Per Year | 5,000,000 |
| Public Official Bonds: | |
| Treasurer | 100,000 |

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 9 - RISK MANAGEMENT - (Continued)

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

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

In the past, health insurance was offered to employees through a self-insurance internal service fund. Professional Risk Management functioned as the District's third party administrator and would inform the District of the claim payments needed each week. Professional Risk Management provided an actuarial study each year and advised the District as to any change needed in premium payments to the Internal Service Fund. During fiscal year 2001, the District converted to a fully funded insurance program, therefore there is no claims liability at year end.

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

| Fiscal Year | Balance at Beginning of Year | Current Year Claims | Claims Payments | Balance at End of Year |
|-------------|------------------------------|---------------------|-----------------|------------------------|
| 2000 | \$69,227 | \$1,067,218 | \$1,067,570 | \$68,875 |
| 2001 | 68,875 | 354,026 | 422,903 | 0 |

NOTE 10 - FIXED ASSETS

A summary of the proprietary funds' fixed assets at June 30, 2001 follows:

| | Enterprise | Internal Service |
|--------------------------------|-----------------|------------------|
| Furniture and Equipment | \$233,633 | \$3,952 |
| Less: Accumulated Depreciation | (177,957) | (1,382) |
| Net Fixed Assets | <u>\$55,676</u> | <u>\$2,570</u> |

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 10 - FIXED ASSETS - (Continued)

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

| Asset Category | Balance at June 30, 2000 | Additions | Deletions | Balance at June 30, 2001 |
|--------------------------------|-----------------------------|--------------------|-----------------|-----------------------------|
| Land | \$439,927 | \$7,016 | \$0 | \$446,943 |
| Buildings and Improvements | 3,587,072 | 44,247 | 0 | 3,631,319 |
| Furniture and Equipment | 3,694,642 | 535,930 | 31,419 | 4,199,153 |
| Vehicles | 2,003,289 | 0 | 0 | 2,003,289 |
| Infrastructure | 19,432 | 0 | 0 | 19,432 |
| Construction in Progress | 13,035,653 | 3,810,129 | 0 | 16,845,782 |
| Totals | <u>\$22,780,015</u> | <u>\$4,397,322</u> | <u>\$31,419</u> | 27,145,918 |
| Less: Accumulated Depreciation | | | | <u>(2,989,633)</u> |
| Net Fixed Assets | | | | <u>\$24,156,285</u> |

At June 30, 2001, net fixed assets include \$60,068 of equipment under capitalized leases.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

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

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2001, 4.20 percent of annual covered salary was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$42,090, \$103,155, and \$133,184, respectively; 32.80 percent has been contributed for fiscal year 2001 and 100 percent for the fiscal years 2000 and 1999. \$28,284 representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds and the General Long-Term Obligations Account Group.

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

State Teachers Retirement System

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

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent. For fiscal year 2001, 9.5 percent of annual covered salary was used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's contributions for pension obligations to STRS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$310,934, \$441,176 and \$349,824, respectively; 53.75 percent has been contributed for fiscal year 2001 and 100 percent for the fiscal years 2000 and 1999. \$143,806 representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds.

Social Security System

Effective June 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2001, none of the members of the Board of Education have elected Social Security. If elected, the Board's liability would be 6.2 percent of wages paid.

NOTE 12 - POSTEMPLOYMENT BENEFITS

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of health care cost in the form of a monthly premium. By Ohio Law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For fiscal year 2001, the Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$147,285 during fiscal year 2001.

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

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

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 12 - POSTEMPLOYMENT BENEFITS - (Continued)

For fiscal year 2001, employer contributions to fund health care benefits were 9.80 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay 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, 2000 were \$140,696,340 and the target level was \$211.0 million. At June 30, 2000, SERS had net assets available for payment of health care benefits of \$252.3 million. The number of participants currently receiving health care benefits is approximately 50,000. For the District, the amount to fund health care benefits, including the surcharge, equaled \$121,339 during the 2001 fiscal year.

NOTE 13 - EMPLOYEE BENEFITS

Compensated Absences

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

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

For governmental funds, the General Fund reported a \$1,532 liability for the current portion of compensated absences at June 30, 2001, and the remaining balance of \$459,535 was reported in the General Long-Term Obligations Account Group. The liability for compensated absences in the Enterprise Funds was \$8,048 at June 30, 2001.

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 14 - LONG-TERM OBLIGATIONS

Changes in the long-term obligations of the District during the 2001 fiscal year were as follows:

| | Maturity Date | Interest Rate | Principal Outstanding at June 30, 2000 | Additions | Deletions | Principal Outstanding at June 30, 2001 |
|-------------------------------------|------------------|------------------|--|------------------|------------------|--|
| Compensated Absences | N/A | N/A | \$410,138 | \$49,397 | \$0 | \$459,535 |
| Intergovernmental Payable | N/A | N/A | 110,167 | 106,366 | 110,167 | 106,366 |
| Capital Leases Payable | N/A | N/A | 57,769 | 3,896 | 11,808 | 49,857 |
| General Obligation Bonds | 12/1/20 | 5.01% | 4,730,000 | 0 | 135,000 | 4,595,000 |
| Total General Long-Term Obligations | | | <u>\$5,308,074</u> | <u>\$159,659</u> | <u>\$256,975</u> | <u>\$5,210,758</u> |

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

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

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

The District's voted legal debt margin was \$6,496,069 with an unvoted debt margin of \$123,234 at June 30, 2001. Principal and interest requirements to retire the general obligation bonds and capital leases at June 30, 2001 are as follows:

| Year Ending June 30 | General Obligation Bonds | Capital Leases | Totals |
|----------------------------|--------------------------------|-------------------|--------------------|
| 2002 | \$371,900 | \$31,978 | \$403,878 |
| 2003 | 370,955 | 31,979 | 402,934 |
| 2004 | 369,655 | 31,902 | 401,557 |
| 2005 | 368,068 | 16,678 | 384,746 |
| 2006 | 371,188 | 158 | 371,346 |
| 2007-2011 | 1,846,383 | 0 | 1,846,383 |
| 2012-2016 | 1,849,668 | 0 | 1,849,668 |
| 2017-2021 | 1,847,500 | 0 | 1,847,500 |
| Total Principal & Interest | 7,395,317 | 112,695 | 7,508,012 |
| Less: Interest | 2,800,317 | 62,838 | 2,863,155 |
| Total Principal | <u>\$4,595,000</u> | <u>\$49,857</u> | <u>\$4,644,857</u> |

NOTE 15 - INTERFUND ACTIVITY

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

| Fund | Interfund Receivables | Interfund Payables |
|------------------------------|--------------------------|-----------------------|
| <i>General Fund</i> | \$57,209 | \$0 |
| <i>Capital Project Fund:</i> | | |
| Emergency Building Repair | 0 | 55,262 |
| <i>Agency Fund:</i> | | |
| Student Activity | 0 | 1,947 |
| Total | <u>\$57,209</u> | <u>\$57,209</u> |

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 16 - STATUTORY RESERVES

The District is required by State statute to annually set-aside in the General Fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years. Effective April 10, 2001, Senate Bill 345 eliminated the statutory requirement for a budget reserve; however, the amount of the budget reserve funded with workers' compensation refunds or rebates may only be used to offset a budget deficit or certain other expenditures as directed by the Board of Education.

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

| | Textbook | Capital Acquisition | Budget Stabilization | Total |
|---|------------------|------------------------|-------------------------|----------------------|
| Set-Aside Reserve Balance as of June 30, 2000 | \$123,835 | \$74,286 | \$218,159 | \$416,280 |
| Prior Period Adjustment | 37,639 | 95,231 | (16,470) | 116,400 |
| Set-Aside Reserve Balance as of July 1, 2000, as Restated | 161,474 | 169,517 | 201,689 | 532,680 |
| Current Year Set-Aside Requirement | 264,340 | 264,340 | 38,334 | 567,014 |
| Offset Credits | 0 | (228,143) | 0 | (228,143) |
| Re-Allocation of Budget Stabilization Reserve Based on Senate Bill 345 | 0 | 0 | (240,023) | (240,023) |
| Qualifying Disbursements | (174,285) | (3,944,776) | 0 | (4,119,061) |
| Set-Aside Balance Carried Forward to Future Fiscal Years | <u>\$251,529</u> | <u>\$(3,739,062)</u> | <u>\$0</u> | <u>\$(3,487,533)</u> |
| Elimination of Carry Forward | <u>\$0</u> | <u>\$3,739,062</u> | <u>\$0</u> | <u>\$3,739,062</u> |
| Set-Aside Reserve Balance as of June 30, 2001 | <u>\$251,529</u> | <u>\$0</u> | <u>\$0</u> | <u>\$251,529</u> |

Senate Bill 345 eliminated the budget stabilization reserve. The Bill requires the Board of Education to designate its intended use of the reserve. During the fiscal year, the Board resolved to utilize the balance of the budget stabilization set-aside, which includes that portion attributable to workers' compensation refunds received prior to April 10, 2001, for school facility renovations and repair and for the purchase of school buses as permitted by Auditor of State Bulletin 2001-006.

In addition, the Board of Education has decided not to carry forward the capital acquisition set-aside amount to reduce the set-aside requirements in future fiscal years.

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 17 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The District maintains two Enterprise Funds to account for operations of food service sales and uniform school supply sales. The table below reflects in a summarized format the more significant financial data relating to the Enterprise Funds as of and for the fiscal year ended June 30, 2001.

| | <u>Food Service</u> | <u>Uniform School Supplies</u> | <u>Total Enterprise</u> |
|--|-------------------------|--|-----------------------------|
| Operating Revenues | \$285,551 | \$13,326 | \$298,877 |
| Operating Expenses Before Depreciation | 789,508 | 20,467 | 809,975 |
| Depreciation | 5,873 | 0 | 5,873 |
| Operating Loss | (509,830) | (7,141) | (516,971) |
| Donated Commodities | 71,571 | 0 | 71,571 |
| Operating Grants | 439,966 | 0 | 439,966 |
| Net Income (Loss) | 2,593 | (2,291) | 302 |
| Net Working Capital | 61,754 | (2,291) | 59,463 |
| Total Assets | 193,971 | 0 | 193,971 |
| Total Liabilities | 76,541 | 2,291 | 78,832 |
| Total Equity | 117,430 | (2,291) | 115,139 |

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 18 - CONTRACTUAL COMMITMENTS

As of June 30, 2001, the District had the following contractual purchase commitments for school building improvements:

| Contractor | Contract Amount | Amount Expended | Unexpended Balance at June 30, 2001 |
|--|---------------------|---------------------|---|
| Apex Construction Company | \$4,884,854 | \$4,533,120 | \$351,734 |
| Brodart | 2,100 | 0 | 2,100 |
| Bushong Restaurant Equipment | 273,480 | 262,159 | 11,321 |
| Claypool Electric Company | 1,290,079 | 1,254,700 | 35,379 |
| Continental Office | 205,320 | 171,671 | 33,649 |
| Croson/Teepe L.L.P. | 2,216,694 | 2,163,410 | 53,284 |
| David Smith Telephone | 45,558 | 43,386 | 2,172 |
| Esquire Data | 277,185 | 272,034 | 5,151 |
| Fanning/Howey Associates, Inc. | 879,543 | 867,851 | 11,692 |
| Farnham Equipment Company | 405,510 | 386,068 | 19,442 |
| Final Floor | 2,162 | 0 | 2,162 |
| Franklin Fire Sprinkler Company | 3,960 | 1,233 | 2,727 |
| Glass Garage | 1,662 | 0 | 1,662 |
| Global Fire Protection | 242,662 | 195,331 | 47,331 |
| Holcombs | 220,326 | 190,003 | 30,323 |
| JMD Architectural Products, Inc. | 297,305 | 289,139 | 8,166 |
| Kenny Huston Company | 1,681,681 | 1,636,801 | 44,880 |
| McArthur Glass | 428 | 0 | 428 |
| Myron Cornish | 11,017 | 9,411 | 1,606 |
| Performance Site Management | 1,062,674 | 1,037,704 | 24,970 |
| Professional Services Industries, Inc. | 62,170 | 57,170 | 5,000 |
| Quandel Group | 651,274 | 625,274 | 26,000 |
| Simplex Time Recorder | 92,797 | 92,182 | 615 |
| Soundcom Corp. | 320,712 | 306,617 | 14,095 |
| Staggs Roofing, Inc. | 783,416 | 702,704 | 80,712 |
| Tom Sexton & Associates | 3,897 | 0 | 3,897 |
| Webb's Custom Cabinets | 3,000 | 0 | 3,000 |
| Totals | <u>\$15,921,466</u> | <u>\$15,097,968</u> | <u>\$823,498</u> |

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 18 - CONTRACTUAL COMMITMENTS - (Continued)

As of June 30, 2001, the District had the following contractual purchase commitments for athletic complex improvements:

| Contractor | Contract Amount | Amount Expended | Unexpended Balance at June 30, 2001 |
|-----------------------------|--------------------|--------------------|-------------------------------------|
| A. J. Stockmeister | \$92,835 | \$83,508 | \$9,327 |
| Claypool Electric Company | 13,132 | 8,132 | 5,000 |
| Dant Clayton Corp. | 285,891 | 276,550 | 9,341 |
| Performance Site Management | 248,635 | 240,312 | 8,323 |
| Portland Electric | 235,009 | 202,951 | 12,058 |
| Stockmeister Enterprises | 797,243 | 497,550 | 299,693 |
| Totals | <u>\$1,672,745</u> | <u>\$1,309,003</u> | <u>\$363,742</u> |

NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS

South Central Ohio Computer Association

The District is a participant in the South Central Ohio Computer Association (SCOCA) which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Highland, Adams, Pike, Scioto, Brown, Ross, Vinton, and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA consists of two representatives from each county elected by majority vote of all charter member school districts within each county, two treasurers elected by majority vote of all charter member school districts, and one representative from the fiscal agent. The District paid SCOCA \$47,852 for services provided during the year. Financial information for SCOCA can be obtained from their fiscal agent, Pike County Joint Vocational School District, P.O. Box 577, 175 Beaver Creek, Piketon, Ohio 45661.

Gallia - Vinton Educational Service Center

The Gallia - Vinton Educational Service Center is a jointly governed organization providing educational services to its two participating school districts. The Educational Service Center is governed by a board of education comprised of eight members appointed by the participating schools. The board controls the financial activity of the Educational Service Center and reports to the Ohio Department of Education and the Auditor of State. The continued existence of the Educational Service Center is not dependent on the District's continued participation and no equity interest exists. During fiscal year 2001, the District made no contributions to the Educational Service Center. To obtain financial information, write to the Gallia - Vinton Educational Service Center, P.O. Box 178, Rio Grande, Ohio 45674.

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

Gallia-Jackson-Vinton Joint Vocational School District

The Gallia-Jackson-Vinton Joint Vocational School is a jointly governed organization providing vocational services to its six participating school districts. The Joint Vocational School is governed by a board of education comprised of nine members appointed by the participating schools. The board controls the financial activity of the Joint Vocational School and reports to the Ohio Department of Education and the Auditor of State of Ohio. The continued existence of the Joint Vocational School is not dependent on the District's continued participation and no equity interest exists. During fiscal year 2001, the District made no contributions to the Joint Vocational School. To obtain financial information, write to the Gallia-Jackson-Vinton Joint Vocational School, P.O. Box 157, Rio Grande, Ohio 45674.

NOTE 20 - GROUP PURCHASING POOL

Ohio School Boards Association Worker's Compensation Group Rating Plan

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

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

NOTE 21 - SCHOOL FUNDING COURT DECISION

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

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

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

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of January 4, 2002, the Ohio General Assembly is still analyzing the impact the Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement the changes be made retroactive to July 1, 2001.

VINTON COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 21 - SCHOOL FUNDING COURT DECISION -(Continued)

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

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

NOTE 22 - CONTINGENCIES

Grants

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

Litigation

As of June 30, 2001, the District did not have any pending litigation or potential liabilities that would have a material effect on the financial statements.

**VINTON COUNTY LOCAL SCHOOL DISTRICT
VINTON COUNTY**

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

| <u>FEDERAL GRANTOR/ Pass Through Grantor Program Title</u> | <u>Pass Through Entity Number</u> | <u>Federal CFDA Number</u> | <u>Receipts</u> | <u>Noncash Receipts</u> | <u>Disbursements</u> | <u>Noncash Disbursements</u> |
|--|---|------------------------------------|---------------------|-----------------------------|----------------------|----------------------------------|
| <u>U.S. DEPARTMENT OF AGRICULTURE</u> | | | | | | |
| <i>Passed Through Ohio Department of Education:</i> | | | | | | |
| Nutrition Cluster: Food Distribution Program | N/A | 10.550 | \$ | \$ 71,571 | \$ | \$ 70,944 |
| National School Breakfast Program | 05-PU 00/01 | 10.553 | 74,286 | | 74,286 | |
| National School Lunch Program | 03/04-PU 00/01 | 10.555 | 287,531 | | 287,531 | |
| Total Nutrition Cluster | | | 361,817 | 71,571 | 361,817 | 70,944 |
| Total U.S. Department of Agriculture | | | 361,817 | 71,571 | 361,817 | 70,944 |
| <u>U.S. DEPARTMENT OF LABOR</u> | | | | | | |
| <i>Passed Through Ohio Department of Education:</i> | | | | | | |
| Employment Services and Job Training - Pilot and Demonstration (School-to-Work) Program | WK-BE 99/00 | 17.249 | 106,783 | | 107,716 | |
| Total U.S. Department of Labor | | | 106,783 | 0 | 107,716 | 0 |
| <u>U.S. DEPARTMENT OF EDUCATION</u> | | | | | | |
| <i>Passed Through Ohio Department of Education:</i> | | | | | | |
| Title I Grants to Local Educational Agencies | C1-S1 00/01 | 84.010 | 658,182 | | 639,027 | |
| Special Education Cluster: Grants to States | 6B-SF/SX 99/00/01 | 84.027 | 226,210 | | 275,359 | |
| Preschool Grant | PG-S1 99/00 | 84.173 | 19,852 | | 22,162 | |
| Total Special Education Cluster | | | 246,062 | 0 | 297,521 | 0 |
| Safe and Drug-Free Schools and Communities | DR-S1/SP 00/01 | 84.186 | 6,707 | | 10,458 | |
| Goals 2000 | G2-S2/S4/S8 99/00/01 | 84.276 | 68,714 | | 80,180 | |
| Eisenhower Professional Development Grant | MS-S1 00/01 | 84.281 | 25,875 | | 20,593 | |
| Twenty-First Century Community Learning Centers | N/A | 84.287 | 690,000 | | 647,686 | |
| Innovative Education Program Strategies | C2-S1 00/01 | 84.298 | 10,307 | | 12,804 | |
| Technology Literacy Challenge Fund Grant | TF-S2/24/25 99/00 | 84.318 | 0 | | 28,701 | |
| Class Size Reduction Grant | CR-S1 01 | 84.340 | 59,998 | | 76,897 | |
| Total U.S. Department of Education | | | 1,765,845 | 0 | 1,813,867 | 0 |
| <u>U.S. DEPARTMENT OF HUMAN SERVICES</u> | | | | | | |
| <i>Passed Through Ohio Department of Education:</i> | | | | | | |
| Medical Assistance Program - Title XIX | N/A | 93.778 | 119,076 | | 73,816 | |
| Maternal and Child Health Services Block Grant | N/A | 93.994 | 17,378 | | 14,559 | |
| Total U.S. Department of Human Services | | | 136,454 | 0 | 88,375 | 0 |
| Total Federal Awards Receipts and Expenditures | | | \$ 2,370,899 | \$ 71,571 | \$ 2,371,775 | \$ 70,944 |

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

**VINTON COUNTY LOCAL SCHOOL DISTRICT
VINTON COUNTY**

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) is a summary of the School District's Federal Award Programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2001, the School District had food commodities valued at \$5,135 in inventory.



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

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

To the Board of Education:

We have audited the accompanying general purpose financial statements of Vinton County Local School District, Vinton County, Ohio (the School District), as of and for the year ended June 30, 2001, and have issued our report thereon dated January 4, 2002, wherein we noted the School District adopted Governmental Accounting Standards Board Statements 33 and 36. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the School District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as item 2001-10782-001 through 2001-10782-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the School District in a separate letter dated January 4, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the School District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying Schedule of Findings as item 2001-10782-003.

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

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. Our consideration of the internal control over financial reporting would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We believe reportable condition 2001-10782-003 described above is not a material weaknesses. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the School District in a separate letter dated January 4, 2002.

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

Jim Petro
Auditor of State

January 4, 2002



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

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

To the Board of Education:

Compliance

We have audited the compliance of Vinton County Local School District, Vinton County, Ohio (the School District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2001. The School 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 School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

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

Internal Control Over Compliance

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

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

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

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

Jim Petro
Auditor of State

January 4, 2002

**VINTON COUNTY LOCAL SCHOOL DISTRICT
VINTON COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| |
|--|
| 1. SUMMARY OF AUDITOR'S RESULTS |
|--|

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

**VINTON COUNTY LOCAL SCHOOL DISTRICT
VINTON COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

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

FINDING NUMBER 2001-10782-001

Noncompliance Citation

Ohio Rev. Code § 5705.39 states that appropriations from each fund shall not exceed the total estimated resources available for expenditures as certified by the Budget Commission. No appropriation measure shall become effective until the County Auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate.

Current year appropriations to date exceeded total estimated resources, (estimated receipts plus unencumbered fund balance to date), at October 16, 2000 in the following funds:

| <u>Fund</u> | <u>Appropriations</u> | <u>Estimated Resources</u> | <u>Variance</u> |
|-----------------------------|-----------------------|----------------------------|-----------------|
| Eisenhower | \$25,856 | \$19,624 | (\$6,232) |
| Miscellaneous Federal Grant | 1,359,698 | 505,382 | (854,316) |
| Classroom Facilities | 5,472,025 | 4,198,780 | (1,273,245) |
| Special Trust | 348 | 1 | (347) |
| Employee Benefits | 448,561 | 390,967 | (57,594) |

Also, current year appropriations to date exceeded total estimated resources, (estimated receipts plus unencumbered fund balance to date), at June 30, 2001 in the following funds:

| <u>Fund</u> | <u>Appropriations</u> | <u>Estimated Resources</u> | <u>Variance</u> |
|-----------------------------|-----------------------|----------------------------|-----------------|
| EMIS | \$10,000 | \$9,195 | (\$805) |
| DPIA | 845,590 | 739,512 | (106,078) |
| Ohio Reads Grant | 154,067 | 153,453 | (614) |
| Eisenhower Grant | 25,856 | 25,824 | (32) |
| Title VI Grant | 17,851 | 12,572 | (5,279) |
| Miscellaneous Federal Grant | 1,563,772 | 1,347,171 | (216,601) |
| Uniform School Supplies | 16,262 | 14,727 | (1,535) |
| Special Trust | 54 | 1 | (53) |
| Employee Benefits | 533,241 | 400,967 | (132,274) |

**VINTON COUNTY LOCAL SCHOOL DISTRICT
VINTON COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

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

**FINDING NUMBER 2001-10782-001
(Continued)**

Noncompliance Citation - Ohio Rev. Code § 5705.39 (Continued)

This could have resulted in deficit spending.

We recommend that, prior to authorizing the original appropriations or approving any amendments, the School District compare the proposed appropriations with the Certificate of Estimated Resources to ensure the appropriations will not exceed the fund's estimated resources. Once appropriations have been adopted, the School District needs to obtain the County Auditor's certification that appropriations do not exceed the estimated resources in any fund.

FINDING NUMBER 2001-10782-002

Noncompliance Citation

Ohio Rev. Code § 5705.41(B) states that no subdivision is to expend money unless it has been appropriated. Actual disbursements, plus outstanding encumbrances cannot exceed appropriations at the School District's legal level of control, or fund level. The legal level of control is defined as the level at which the permanent appropriation measure was passed.

The School District adopted their legal level of control as the fund level.

Disbursements, plus outstanding encumbrances, exceeded appropriations at September 30, 2000 in the following funds:

| <u>Fund</u> | <u>Appropriations</u> | <u>Actual Disbursements</u> | <u>Variance</u> |
|---------------------------------|-----------------------|---------------------------------|-----------------|
| Permanent Improvement | \$148,692 | \$360,338 | (\$211,646) |
| Other Local Grants | 16,813 | 23,836 | (7,023) |
| Classroom Facilities Maint. | 461 | 16,211 | (15,750) |
| Public School Pre-School | 51,224 | 62,002 | (10,778) |
| Ohio Reads | 27,923 | 31,839 | (3,916) |
| Miscellaneous State Grants | 8,816 | 23,103 | (14,287) |
| Title VI-B | 47,692 | 86,492 | (38,800) |
| Drug Free Schools | 4,491 | 6,647 | (2,156) |
| Pre-School Handicapped | 5,729 | 10,568 | (4,839) |
| Miscellaneous Federal Grants | 73,627 | 188,894 | (115,267) |

**VINTON COUNTY LOCAL SCHOOL DISTRICT
VINTON COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)**

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

**FINDING NUMBER 2001-10782-002
(Continued)**

Noncompliance Citation - Ohio Rev. Code § 5705.41 (B) (Continued)

Disbursements, plus outstanding encumbrances, exceeded appropriations at March 31, 2001 in the following funds:

| <u>Fund</u> | <u>Appropriations</u> | <u>Actual Disbursements</u> | <u>Variance</u> |
|-----------------------------|-----------------------|---------------------------------|-----------------|
| Bond Retirement | \$191,455 | \$260,187 | (\$68,732) |
| Permanent Improvement | 902,019 | 1,099,192 | (197,173) |
| Food Service | 344,125 | 529,919 | (185,794) |
| Classroom Facilities Maint. | 51,388 | 63,364 | (11,976) |
| Athletic | 74,923 | 78,524 | (3,601) |
| Title I | 217,512 | 482,748 | (265,236) |

Disbursements, plus outstanding encumbrances, exceeded appropriations at May 31, 2001 in the following fund:

| <u>Fund</u> | <u>Appropriations</u> | <u>Actual Disbursements</u> | <u>Variance</u> |
|-----------------|-----------------------|---------------------------------|-----------------|
| Bond Retirement | \$262,751 | \$383,593 | (\$120,842) |

Disbursements, plus outstanding encumbrances, exceeded appropriations at June 30, 2001 in the following funds:

| <u>Fund</u> | <u>Appropriations</u> | <u>Actual Disbursements</u> | <u>Variance</u> |
|---------------------------------|-----------------------|---------------------------------|-----------------|
| Athletic | \$103,365 | \$109,060 | (\$5,695) |
| Public School Pre-School | 235,606 | 243,354 | (7,748) |
| Intervention/Summer School | 0 | 1,236 | (1,236) |
| Extended Learning Opportunities | 0 | 3,000 | (3,000) |
| Schoolnet | 143,000 | 158,289 | (15,289) |

VINTON COUNTY LOCAL SCHOOL DISTRICT
VINTON COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)

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

**FINDING NUMBER 2001-10782-002
(Continued)**

Noncompliance Citation - Ohio Rev. Code § 5705.41 (B) (Continued)

This could have resulted in deficit spending.

We recommend the School District monitor actual expenditures as compared to appropriations at the legal level of control throughout the year, amending the appropriation measure when necessary. Any amended appropriations must be formally approved by the Board and documented in the minutes.

FINDING NUMBER 2001-10782-003

Reportable Condition

School District's Board Policy 6610 states, in part, that the Superintendent shall implement administrative guidelines which will ensure that all student activity funds are managed, recorded, and deposited in accordance with law and sound fiscal practice. Fund raising for all student activities shall be in accordance with Board Policy 5830 and 9700. These policies as well as administrative guidelines for the Student Activities were included within the School District's Student Activity Handbook. The guidelines, in part, requires the Activity Advisor to prepare a Student Activity Budget and obtain Board approval; prepare a Sales Potential Form for each sales project and obtain approval; request expenditures through the Treasurers Office; issue receipts for all money received; deposit daily; keep a log or journal of the corresponding receipts and expenditures, including any items discarded due to spoilage; and reconcile those records to the Treasurer's Office monthly. The Handbook also states that the building Principal is responsible for the enforcement and adherence to the guidelines established within the Handbook for any sales activities held within the Principal's assigned building.

The Allensville Elementary's Safety Patrol had a candy sale to subsidize the cost of a trip to Washington D.C.. The cost of the trip was \$230 per student less the amount of money earned from the candy sales for that student. A total of \$11,000 worth of candy was ordered. Of this, \$5,000 worth of candy was returned to the distributor. The Safety Patrol Advisor was unable to provide any documentation to support the money received from the candy sale or the amount of candy that was disposed of due to spoilage. The lack of such records could allow errors and/or irregularities to occur and remain undetected by management of the School District.

We recommend that all Student Activity Advisors maintain records, as described in the School District's Student Activity Handbook. We also recommend that each School District Principal enforce these requirements for all student activities held within his/her assigned building. Furthermore, the Superintendent and Treasurer of the School District should monitor all Student Activities in a manner that will allow them to identify where there may be deficiencies in supporting records so that such deficiencies can be brought to the School District's Board of Educations for resolution.

3. FINDINGS FOR FEDERAL AWARDS

There were no findings related to federal awards.

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**VINTON COUNTY LOCAL SCHOOL DISTRICT
VINTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 §.315(b)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| <u>Finding Number</u> | <u>Finding Summary</u> | <u>Fully Corrected?</u> | Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i> |
|-----------------------|---|-------------------------|---|
| 2000-10782-001 | Noncompliance Citation of Ohio Rev. Code Section 5705.39 - Appropriations significantly exceeded estimated resources in seven funds for 2000 | No | Not Corrected. Repeated as Finding No. 2001-10782-001. |
| 2000-10782-002 | Finding for Recovery issued against Pete Semple, former employee in the amount of seven hundred forty-three dollars and eighty-four cents (\$743.84) relating to an overpayment of severance pay in favor of the General Fund of the Vinton County Local School District. | No | Partially Corrected. Pete Semple began, in October 2001, making monthly payments, to repay the overpayment of severance pay. |

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**VINTON COUNTY LOCAL SCHOOL DISTRICT
VINTON COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A-133 §.315(c)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| Finding Number | Planned Corrective Action | Anticipated Completion Date | Responsible Contact Person |
|----------------|--|-----------------------------|----------------------------|
| 2001-10782-001 | Prior to pursuing the authorization of the original appropriations or any amendments, the Treasurer's Office will compare the proposed appropriations with the Certificate of Estimated Resources to ensure that appropriations will not exceed the fund's estimated resources. The School District will also follow the same procedures in approving any amendments to appropriations as they | June 30, 2002 | Tami Downard, Treasurer |
| 2001-10782-002 | The Treasurer's Office will attempt to monitor actual expenditures as compared to appropriations on a monthly basis and pursue amendments as needed. Any amendments will be handled in the same manner as the original approvals. Also, some of these errors were caused by the SCOCA system and, as of January 4, 2001, SCOCA has made all of the necessary | June 30, 2002 | Tami Downard, Treasurer |
| 2001-10782-003 | The School District will consider including a statement in the supplemental contracts for Student Activity Advisors stating that payment for such services will be contingent upon the Treasurer's Office receiving appropriate records to support the Student Activities receipts and expenditures. The School District will define the appropriate records in their | June 30, 2002 | Tami Downard, Treasurer |



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Facsimile 614-466-4490

VINTON COUNTY LOCAL SCHOOL DISTRICT

VINTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 19, 2002**