



Mary Taylor, CPA
Auditor of State

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets – June 30, 2009	9
Statement of Activities – for the Fiscal Year ended June 30, 2009	10
Fund Financial Statements:	
Balance Sheet - Governmental Funds - June 30, 2009.....	11
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities - June 30, 2009	12
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds – for the Fiscal Year ended June 30, 2009	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities for the Fiscal Year ended June 30, 2009	14
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual - General Fund For the Fiscal Year ended June 30, 2009.....	15
Statement of Fiduciary Net Assets - Fiduciary Funds - June 30, 2009	16
Notes to the Basic Financial Statements	17
Federal Awards Receipts and Expenditures Schedule.....	39
Notes to Federal Awards Receipts and Expenditures Schedule	40
Independent Accountants' Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Required by <i>Government Auditing Standards</i>	41
Independent Accountants' Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.....	43
Schedule of Findings.....	45
Independent Accountants' Report on Applying Agreed-Upon Procedures.....	47

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greene County Vocational School District, Greene County, (the School District), as of and for the year ended June 30, 2009, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Greene County Vocational School District, Greene County, as of June 30, 2009, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2010, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the School District's basic financial statements. The Federal Awards Receipts and Expenditures Schedule is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the Federal Awards Receipts and Expenditures Schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

January 6, 2010

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)**

As management of the Greene County Vocational School District, we offer readers of the School District's financial statements this narrative overview and analysis of the School District's financial activities for the fiscal year ended June 30, 2009.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$15,452,978 (net assets). Of this amount, \$2,571,475 (unrestricted net assets) may be used to meet the School District's ongoing obligations to citizens and creditors.
- The School District's net assets increased \$2,086,998 or 15.6%. Program revenues accounted for \$4,280,100 or 24.6% of total revenues, and general revenues accounted for \$13,087,831, or 75.4%.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$7,783,573, an increase of \$2,125,340, or 37.6%, in comparison with the prior year. Of this total amount, \$7,188,310 is available for spending at the School District's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$2,549,593, or 21.4% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the School District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The statement of activities presents information showing how the School District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the School District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the School District include regular and vocational instruction. The School District has no business-type activities. The government-wide financial statements can be found on pages 9 -10 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds. The School District has no proprietary funds.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)
(Continued)**

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School District maintains 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General and Permanent Improvement Funds which are considered major funds. Data from the other 16 governmental funds are combined into a single, aggregated presentation.

The School District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 11-15 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs. The basic fiduciary fund financial statement can be found on page 16 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 17 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the School District, assets exceeded liabilities by \$15,452,978 at the close of the most recent fiscal year.

A large portion of the School District's net assets (51.3%) reflects its investment in capital assets (e.g. land, buildings, equipment, etc.), less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the School District's net assets (32.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$2,571,475) may be used to meet the School District's ongoing obligations to students and creditors.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)
(Continued)**

**Net Assets
Governmental Activities**

	2008	2009
Current Assets	\$15,515,941	\$17,499,130
Capital Assets	8,265,116	8,143,551
Total Assets	<u>23,781,057</u>	<u>25,642,681</u>
Current Liabilities	9,650,679	9,422,977
Long-Term Liabilities	764,398	766,726
Total Liabilities	<u>10,415,077</u>	<u>10,189,703</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	7,992,738	7,922,111
Restricted	3,551,275	4,959,392
Unrestricted	1,821,967	2,571,475
Total Net Assets	<u>\$13,365,980</u>	<u>\$15,452,978</u>

The School District's net assets increased by \$2,086,998 or 15.6%, during the fiscal year. Key elements of this increase are as follows:

**Changes in Net Assets
Governmental Activities**

	2008	2009
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,279,084	\$ 1,450,216
Operating Grants	2,409,374	2,460,447
Capital Grants & Contributions	326,913	369,437
Total Program Revenues	<u>4,015,371</u>	<u>4,280,100</u>
General Revenues:		
Property Taxes	8,469,073	8,925,181
Grants and Entitlements	3,624,530	3,885,572
Other Revenue	465,711	277,078
Total General Revenue	<u>12,559,314</u>	<u>13,087,831</u>
Total Revenues	<u>16,574,685</u>	<u>17,367,931</u>
Expenses:		
Program Expenses:		
Instruction	8,478,642	8,927,986
Support Services	5,386,874	6,029,960
Non-Instructional	297,065	279,036
Extracurricular Activities	48,615	42,464
Interest and Fiscal Charges	3,041	1,487
Total Expenses	<u>14,214,237</u>	<u>15,280,933</u>
Changes in Net Assets	2,360,448	2,086,998
Beginning Net Assets	11,005,532	13,365,980
Ending Net Assets	<u>\$13,365,980</u>	<u>\$15,452,978</u>

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)
(Continued)**

The Statement of Activities shows the cost of program services and the charges for services and grants associated with those services. The table below reflects the cost of program services and the net cost of those services after taking into account the program revenues for the governmental activities. The net cost of program services must be supported by general revenues including tax revenue, investment earnings and unrestricted state entitlements.

	<u>Total Cost of Services 2008</u>	<u>Total Cost of Services 2009</u>	<u>Net Cost of Services 2008</u>	<u>Net Cost of Services 2009</u>
Program Expenses:				
Instruction:				
Regular	\$ 747,764	\$ 810,285	\$ 747,764	\$ 810,285
Vocational	7,730,878	8,117,701	4,369,194	4,523,179
Support Services:				
Pupils	698,053	1,071,880	528,930	857,522
Instructional Staff	1,904,461	2,099,134	1,754,375	1,976,167
Board of Education	100,794	79,400	100,794	79,400
Administration	649,095	699,453	649,095	699,297
Fiscal	592,755	498,024	565,932	483,756
Maintenance	1,142,382	1,319,759	1,090,695	1,241,708
Central	299,334	262,310	293,399	256,374
Non-instructional	297,065	279,036	87,920	70,939
Extracurricular Activities	48,615	42,464	7,727	719
Interest and Fiscal Charges	3,041	1,487	3,041	1,487
Total Expense	<u>\$14,214,237</u>	<u>\$15,280,933</u>	<u>\$10,198,866</u>	<u>\$11,000,833</u>

Financial Analysis of the School District's Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$7,783,573, an increase of \$2,125,340 in comparison with the prior year. Approximately 92.4% of this amount (\$7,188,310) constitutes unreserved fund balance, which is available for spending at the School District's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period (\$122,842) or for a variety of other restricted purposes (\$472,421).

The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2009 and 2008.

	<u>Fund Balance June 30, 2008</u>	<u>Fund Balance June 30, 2009</u>	<u>Increase (Decrease)</u>
General	\$2,194,684	\$2,986,193	\$ 791,509
Permanent Improvement	3,478,145	4,797,475	1,319,330
Other Governmental	(14,596)	(95)	14,501
Total	<u>\$5,658,233</u>	<u>\$7,783,573</u>	<u>\$2,125,340</u>

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)
(Continued)**

The General Fund is the chief operating fund of the School District. At the end of the current fiscal year, unreserved fund balance of the general fund was \$2,549,593, while total fund balance was \$2,986,193. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 21.4% of total General Fund expenditures, while total fund balance represents 25.1% of that same amount.

General Fund Budget Information

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

Differences between the original budget and the final amended budget were relatively minor. The original revenue estimate was below the final amended revenue estimate by \$328,124, or 2.7%, and the final appropriations were below the original resolution by \$22,669 or .19%. The School District's actual receipts exceeded the final amended revenue estimate by \$139,498, or 1.11%. The School District's actual expenditures were less than the final amended expenditure budget by \$175,211, or 1.45%.

Capital Assets

The School District's investment in capital assets as of June 30, 2009, amounted to \$8,143,551 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment and vehicles. Total acquisitions for the current fiscal year were \$226,687 and depreciation was \$348,252. Detailed information regarding capital asset activity is included in the notes to the basic financial statements (Note 8).

Debt

At June 30, 2009, the School District had \$216,668 in outstanding loans payable. The School District paid \$33,333 in principal on loans outstanding during the fiscal year. Detailed information regarding long-term debt is included in the notes to the basic financial statements (Note 9).

Under current state statutes, the School District's general obligation bonded debt issues are subject to a legal limitation based on 9% of the total value of real and personal property. At June 30, 2009, the School District's general obligation debt was below the legal limit.

Restrictions and Other Limitations Impacting the Financial Strength of the School District

Through House Bill 1, the state budget bill for fiscal years 2010 and 2011, a new state funding model was developed and approved. All traditional school districts will follow a new state funding model called the Ohio Evidence-Based Model. Joint Vocational School District's (JVSD) funding will remain unchanged during the FY10 and FY11 biennium. During the biennium, a taskforce will study JVSDs and develop a plan to transform these School Districts' funding to a funding methodology that is consistent with the Ohio Evidence-Based Model.

Additionally, House Bill 1 included education funding totaling \$851 million from Video Lottery Terminals (VLTs). The Ohio Supreme Court ruling from Sept. 21 states that the VLT plan is subject to referendum. Governor Ted Strickland's Office asked Ohio Department of Education to provide information about how potential reductions would affect K-12 funding. Possible scenarios included a 10.31% reduction in FY10 and a 15.74% reduction in FY11 in school funding. Another possible scenario was to request a waiver from the United States Department of Education to shift State Fiscal Stabilization Funds from FY11 to FY10 to avoid a deficit in FY10, but the full impact of the cuts would need to be absorbed in FY11.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)
(Continued)**

On September 30, 2009, the Governor announced that he proposes postponing the final income tax reduction in order to fill the hole left by the loss of the VLT revenues. State congress and senate are reviewing these options as of the date of this report.

With the above scenarios up for discussion including changing state funding to an Ohio Evidence-Based Model, the School District is currently unable to determine what the financial impact will be on the School District.

Contacting the School District's Financial Management

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**STATEMENT OF NET ASSETS
JUNE 30, 2009**

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 8,723,453
Materials and Supplies Inventory	56,280
Accounts Receivable	95,915
Intergovernmental Receivable	95,833
Property Taxes Receivable	8,527,649
Capital Assets: Net	8,143,551
Total Assets	25,642,681
Liabilities:	
Accounts Payable	27,899
Accrued Wages	1,258,832
Intergovernmental Payable	278,917
Deferred Revenue	7,857,329
Long-Term Liabilities:	
Due Within One Year	83,419
Due in More Than One Year	683,307
Total Liabilities	10,189,703
Net Assets:	
Invested in Capital Assets, Net of Related Debt	7,922,111
Restricted for Debt Service	27,547
Restricted for Capital Outlay	4,838,739
Restricted for Other Purposes	93,106
Unrestricted	2,571,475
Total Net Assets	\$15,452,978

See accompanying notes to the basic financial statements.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for Services And Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Assets</u>
					<u>Governmental Activities</u>
Governmental Activities:					
Instruction:					
Regular	\$ 810,285				(\$810,285)
Vocational	8,117,701	\$1,282,138	\$2,026,994	\$285,390	(4,523,179)
Support Services:					
Pupils	1,071,880		211,143	3,215	(857,522)
Instructional Staff	2,099,134		120,287	2,680	(1,976,167)
Board of Education	79,400				(79,400)
Administration	699,453			156	(699,297)
Fiscal	498,024		5,000	9,268	(483,756)
Operation & Maintenance of Plant	1,319,759		10,335	67,716	(1,241,708)
Central	262,310		4,924	1,012	(256,374)
Operation of Non-Instructional Svcs.	279,036	126,333	81,764		(70,939)
Extracurricular Activities	42,464	41,745			(719)
Interest and Fiscal Charges	1,487				(1,487)
Totals	<u>\$15,280,933</u>	<u>\$1,450,216</u>	<u>\$2,460,447</u>	<u>\$369,437</u>	<u>(11,000,833)</u>
General Revenues:					
Grants and Entitlements not Restricted to Specific Programs					3,885,572
Investment Earnings					120,902
Miscellaneous					147,481
Revenues:					
Property Taxes					8,925,181
Insurance					
Insurance Recoveries					8,695
Total General Revenues					<u>13,087,831</u>
Change in Net Assets					2,086,998
Net Assets Beginning of year					13,365,980
Net Assets End of Year					<u>\$15,452,978</u>

See accompanying notes to the basic financial statements.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009**

	General Fund	Permanent Improvement Fund	All Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 3,880,618	\$4,713,420	\$129,415	\$ 8,723,453
Materials and Supplies Inventory	50,566		5,714	56,280
Accounts Receivable	44,532		51,383	95,915
Intergovernmental Receivable			95,833	95,833
Property Taxes Receivable	6,720,292	1,807,357		8,527,649
Total Assets	<u>10,696,008</u>	<u>6,520,777</u>	<u>282,345</u>	<u>17,499,130</u>
Liabilities:				
Accounts Payable	7,602	14,450	5,847	27,899
Accrued Wages	1,090,033		168,799	1,258,832
Intergovernmental Payable	231,331		47,586	278,917
Deferred Revenue	6,380,849	1,708,852	60,208	8,149,909
Total Liabilities	<u>7,709,815</u>	<u>1,723,302</u>	<u>282,440</u>	<u>9,715,557</u>
Fund Balances:				
Reserved:				
Reserved for Encumbrances	62,684	52,894	7,264	122,842
Reserved for Property Taxes	373,916	98,505		472,421
Unreserved, Undesignated, (Deficit) Reported in:				
General Fund	2,549,593			2,549,593
Special Revenue Funds			(34,906)	(34,906)
Debt Service Funds			27,547	27,547
Capital Projects Funds		4,646,076		4,646,076
Total Fund Balances (Deficit)	<u>2,986,193</u>	<u>4,797,475</u>	<u>(95)</u>	<u>7,783,573</u>
Total Liabilities and Fund Balances	<u>\$10,696,008</u>	<u>\$6,520,777</u>	<u>\$282,345</u>	<u>\$17,499,130</u>

See accompanying notes to the basic financial statements.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2009**

Total Governmental Fund Balances \$ 7,783,573

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$ 116,032	
Land Improvements	334,193	
Buildings and Improvements	11,437,292	
Machinery and Equipment	2,334,751	
Vehicles	121,030	
Accumulated Depreciation	<u>(6,199,747)</u>	
		8,143,551

Long-term assets are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.

Property Taxes Receivable	197,899	
Accounts Receivable	52,559	
Intergovernmental Receivable	<u>42,122</u>	
		292,580

Some liabilities are not due and payable in the current period and therefore are not reported in the funds.

These liabilities consist of:

Loans Payable	(216,668)	
Capital Lease Payable	(4,772)	
Compensated Absences Payable	<u>(545,286)</u>	
Total Liabilities		<u>(766,726)</u>

Net Assets of Governmental Activities \$15,452,978

See accompanying notes to the basic financial statements.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>General Fund</u>	<u>Permanent Improvement Fund</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property Taxes	\$6,907,354	\$1,898,808	\$ 33,333	\$8,839,495
Intergovernmental	5,505,226	369,437	837,773	6,712,436
Interest	132,609			132,609
Tuition and Fees	80,514		1,136,286	1,216,800
Extracurricular Activities			41,745	41,745
Customer Sales and Services	56,786		126,333	183,119
Miscellaneous	40,038		107,443	147,481
Total Revenues	<u>12,722,527</u>	<u>2,268,245</u>	<u>2,282,913</u>	<u>17,273,685</u>
Expenditures:				
Current:				
Instruction:				
Regular	782,645			782,645
Vocational	6,067,263	683,375	1,386,091	8,136,729
Support Services:				
Pupils	781,478	8,259	201,853	991,590
Instructional Staff	1,683,034	6,884	352,052	2,041,970
Board of Education	79,400			79,400
Administration	671,568	401		671,969
Fiscal	456,001	23,806	5,000	484,807
Operation and Maintenance of Plant	1,112,517	173,932	13,000	1,299,449
Central	234,746	2,599	18,000	255,345
Operation of Non-Instructional Services	7,957		260,631	268,588
Extracurricular Activities			42,464	42,464
Capital Outlay		49,659		49,659
Debt Service:				
Principal	17,605		33,333	50,938
Interest	1,487			1,487
Total Expenditures	<u>11,895,701</u>	<u>948,915</u>	<u>2,312,424</u>	<u>15,157,040</u>
Excess of Revenues Over (Under) Expenditures	<u>826,826</u>	<u>1,319,330</u>	<u>(29,511)</u>	<u>2,116,645</u>
Other Financing Sources And Uses:				
Transfers In			44,012	44,012
Insurance Recoveries	8,695			8,695
Transfers Out	(44,012)			(44,012)
Total Other Financing Sources and Uses	<u>(35,317)</u>		<u>44,012</u>	<u>8,695</u>
Net Change in Fund Balances	791,509	1,319,330	14,501	2,125,340
Fund Balance (Deficit) at Beginning of Year	2,194,684	3,478,145	(14,596)	5,658,233
Fund Balance (Deficit) at End of Year	<u>\$2,986,193</u>	<u>\$4,797,475</u>	<u>(\$ 95)</u>	<u>\$7,783,573</u>

See accompanying notes to the basic financial statements.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Net Change in Fund Balances - Total Governmental Funds \$2,125,340

Amounts reported for governmental activities in the statement of activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Outlay	\$226,687	
Current Year Depreciation Expense	(348,252)	
Excess of Capital Outlay under Depreciation Expense		(121,565)

Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Loans Payable	33,333	
Capital Lease Payable	17,605	
		50,938

Some revenues that will not be collected for several months after the School District's fiscal year-end are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues changed by these amounts:

Property Taxes	85,686	
Interest	(11,707)	
Intergovernmental Grants	3,020	
Tuition and Fees	8,552	
		85,551

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in Compensated Absences		(53,266)

Change in Net Assets of Governmental Activities		\$2,086,998

See accompanying notes to the basic financial statements.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Property Taxes	\$6,643,285	\$6,886,785	\$6,852,900	(\$ 33,885)
Intergovernmental	5,201,919	5,306,919	5,511,228	204,309
Interest	257,476	257,476	127,880	(129,596)
Tuition and Fees			78,795	78,795
Customer Sales and Services	75,288	51,847	56,786	4,939
Miscellaneous	38,447	37,483	47,753	10,270
Total Revenues	<u>12,216,415</u>	<u>12,540,510</u>	<u>12,675,342</u>	<u>134,832</u>
Expenditures:				
Current:				
Instruction:				
Regular	771,533	772,455	770,471	1,984
Vocational	6,349,640	6,082,581	6,060,896	21,685
Support Services:				
Pupils	537,574	736,319	732,685	3,634
Instructional Staff	1,626,071	1,686,042	1,667,507	18,535
Board of Education	99,413	114,451	94,521	19,930
Administration	670,582	672,377	667,686	4,691
Fiscal	502,947	457,862	456,816	1,046
Operation and Maintenance of Plant	1,109,554	1,177,454	1,147,255	30,199
Central	271,586	241,690	241,214	476
Operation of Non-Instructional Services			7,957	(7,957)
Total Expenditures	<u>11,938,900</u>	<u>11,941,231</u>	<u>11,847,008</u>	<u>94,223</u>
Excess of Revenues Over (Under) Expenditures	<u>277,515</u>	<u>599,279</u>	<u>828,334</u>	<u>229,055</u>
Other Financing Sources And Uses:				
Transfers In		4,029		(4,029)
Insurance Recoveries			8,695	8,695
Transfers Out	(150,000)	(125,000)	(44,012)	80,988
Total Other Financing Sources and Uses	<u>(150,000)</u>	<u>(120,971)</u>	<u>(35,317)</u>	<u>85,654</u>
Net Change in Fund Balances	127,515	478,308	793,017	314,709
Fund Balance at Beginning of Year	2,978,863	2,978,863	2,978,863	
Prior Year Encumbrances Appropriated	42,321	42,321	42,321	
Fund Balance at End of Year	<u>\$3,148,699</u>	<u>\$3,499,492</u>	<u>\$3,814,201</u>	<u>\$314,709</u>

See accompanying notes to the basic financial statements.

GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2009

	<u>Agency Fund</u>
Assets:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	<u>\$194,198</u>
Liabilities:	
Due to Others	<u>\$194,198</u>

See accompanying notes to the basic financial statements.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

The School District operates under a locally-elected seven-member Board form of government and provides educational services as authorized by its charter and further mandated by state and/or federal agencies. This Board controls the School District's instructional/support facilities staffed by a full-time staff of 134 employees. There are 85 certificated employees and 49 classified support staff including 10 administrators, who provide services to 1,540 school students and other community members.

Reporting Entity

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

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

The School District is associated with two organizations that are defined as jointly governed. These organizations are the Miami Valley Educational Computer Association and the Southwestern Ohio Educational Purchasing Council. These organizations are described in Note 16 to the basic financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation

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

1. Government-wide Financial Statements

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

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

2. Fund Financial Statements

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

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The School District divides its funds into two categories: governmental and fiduciary.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Governmental Funds:

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

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

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

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

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

2. Fiduciary Funds

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

C. Measurement Focus

1. Government-wide Financial Statements:

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fund Financial Statements

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

D. Basis of Accounting

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

1. Revenues - Exchange and Non-exchange Transactions

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

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

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2009, but which were levied to finance fiscal year 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

3. Expenses/Expenditures

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

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

E. Cash and Cash Equivalents

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

During fiscal year 2009, the School District invested in STAROhio. Investments are reported at fair value which is based on quoted market prices.

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, 2009.

Following Ohio Statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2009 amounted to \$132,609; \$65,000 was assigned from the permanent improvement fund and \$1,419 was assigned from all other governmental funds.

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Inventory

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

G. Capital Assets

The School District's only capital assets are general capital assets. General capital assets are those assets specifically related to governmental activities. General capital assets usually result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

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

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

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

H. Accrued Liabilities and Long-term Obligations

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

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

I. Compensated Absences

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

J. Net Assets

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

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

The government-wide statement of net assets reports \$4,959,392 of restricted net assets, of which none is restricted by enabling legislation.

K. Fund Balance Reserves

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances and property taxes.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute.

L. Interfund Activity

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

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Estimates

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

N. Budgetary Process

All funds, other than the agency fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of budgetary control has been established by the Board of Education at the fund level only. Any budgetary modifications at this level may only be made by resolution of the Board of Education. Advances-in and advances-out are not required to be budgeted since they represent a cash flow resource and are intended to be repaid.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the certificate that was in effect at the time the final appropriations were passed by the Board of Education.

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

3. ACCOUNTABILITY

At June 30, 2009, the Adult Vocational Education, Entry Year Teacher Program, and Vocational Education funds had deficit fund balance of \$104,239, \$10, and \$7,064 respectively. The deficits in these funds are due to adjustments for accrued liabilities which generate expenditures that are greater than those recognized on a cash basis. The General Fund is liable for the deficits and provides operating transfers when cash is required, not when accruals occur.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

4. BUDGETARY BASIS OF ACCOUNTING

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

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the fund liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. The change in the fair value of investments is not included on the budget basis operating statement. This amount is included as revenue on the GAAP basis operating statement.

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

Net Change in Fund Balance	General
GAAP Basis	\$791,509
Revenue Accruals	(42,456)
Expenditure Accruals	115,110
Encumbrances	(66,417)
Change in Fair Value of Investment – FY08	(4,729)
Budget Basis	\$793,017

5. DEPOSITS AND INVESTMENTS

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

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

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

5. DEPOSITS AND INVESTMENTS (Continued)

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

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

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

A. Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal yearend, \$1,651,898 of the School District's bank balance, \$1,151,394 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution.

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

5. DEPOSITS AND INVESTMENTS (Continued)

B. Investments

As of June 30, 2009, the School District has the following investments. All investments are in an internal investment pool.

Investment	Fair Value	Investment Maturities Less Than One Year
STAROhio	\$7,307,783	\$7,307,783
	\$7,307,783	\$7,307,783

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

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

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

6. PROPERTY TAXES

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

Property taxes include amounts levied against all real property, public utility property, and tangible personal (used in business) property located in the School District. Real property tax revenues received in calendar year 2009 represent the collection of calendar year 2008 taxes. Real property taxes received in calendar year 2009 were levied after April 1, 2008, on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2009 represent the collection of calendar year 2008 taxes. Public utility real and tangible personal property taxes received in calendar year 2009 became a lien on December 31, 2007, were levied after April 1, 2008, and are collected in calendar year 2009 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

6. PROPERTY TAXES (Continued)

Tangible personal property tax revenues received in calendar year 2009 (other than public utility property) represent the collection of calendar year 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2009 were levied after October 1, 2008, on the value as of December 31, 2008. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Clark, Clinton, Fayette, Greene, Montgomery and Warren Counties. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2009, are available to finance fiscal year 2009 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2009 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2009 was \$373,916 in the General Fund and \$98,505 in the Permanent Improvement Fund. The amount available as an advance at June 30, 2008 was \$319,462 in the General Fund and \$90,938 in the Permanent Improvement Fund. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

The Assessed Valuations upon which fiscal year 2009 taxes were collected are as follows:

	2008 2nd Half Collections	Percent	2009 1st Half Collections	Percent
Real Estate	\$3,466,031,690	95.0%	\$3,809,105,380	96.5%
Public Utility Personal	83,401,170	2.3%	85,132,850	2.2%
General Business Personal	98,560,861	2.7%	52,702,142	1.3%
Total Assessed Valuation	<u>\$3,647,993,721</u>	<u>100.0%</u>	<u>\$3,946,940,372</u>	<u>100.0%</u>

7. RECEIVABLES

Receivables at June 30, 2009, consisted of accounts (tuition and student fees), intergovernmental grants and property taxes. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

7. RECEIVABLES (Continued)

A summary of the intergovernmental receivables follows:

Other Governmental Funds	Amount
Food Service	\$ 84
Adult Education	28,969
High Schools That Work	4,500
Adult Basic Literacy Education	7,740
Vocational Education	52,480
Safe and Drug Free Schools	2,060
	\$95,833

8. CAPITAL ASSETS

Changes in capital assets during the fiscal year ended June 30, 2009 were as follows:

Asset Class	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not depreciated:				
Land	\$ 116,032			\$ 116,032
Capital assets depreciated:				
Land improvements	334,193			334,193
Buildings	11,437,292			11,437,292
Machinery and Equipment	2,108,064	\$226,687		2,334,751
Vehicles	121,030			121,030
Total capital assets	14,116,611	226,687		14,343,298
Less accumulated depreciation:				
Land improvements	(304,729)	(1,374)		(306,103)
Buildings	(3,783,463)	(229,356)		(4,012,819)
Machinery and Equipment	(1,661,230)	(114,300)		(1,775,530)
Vehicles	(102,073)	(3,222)		(105,295)
Total accumulated depreciation	(5,851,495)	(348,252)		(6,199,747)
Total capital assets, net	\$8,265,116	(\$121,565)	\$0	\$8,143,551

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 13,930
Vocational	205,465
Support Services:	
Pupils	24,378
Instructional Staff	34,826
Administration	20,896
Fiscal	10,448
Operation and Maintenance of Plant	20,896
Central	6,965
Operation of Non-Instructional Services	10,448
Total Depreciation Expense	\$348,252

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

9. LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2009 were as follows:

<u>Long Term Obligation</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due in One Year</u>	<u>Due More Than One Year</u>
State Loans, 0%	\$250,001		(\$33,333)	\$216,668	\$33,333	\$183,335
Capital Leases	22,377		(17,605)	4,772	4,772	
Compensated Absences	492,020	\$53,266		545,286	45,314	499,972
Total Long-Term Obligations	<u>\$764,398</u>	<u>\$53,266</u>	<u>(\$50,938)</u>	<u>\$766,726</u>	<u>\$83,419</u>	<u>\$683,307</u>

The School District received a State and Construction loan to finance permanent improvement projects. The loan is being repaid with tax monies collected in the Permanent Improvement Fund. The capital lease will be paid from the General Fund. Compensated absences will be paid from the fund from which the person is paid if the funds are available, otherwise, from the General Fund.

Under current state statutes, the School District's general obligation bonded debt issues are subject to a legal limitation based on 9% of the total value of real and personal property. At June 30, 2009, the School District's general obligation debt was below the legal limit.

Principal requirements to retire the state loan outstanding at June 30, 2009 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>
2010	\$ 33,333
2011	33,333
2012	33,333
2013	33,333
2014	33,333
2015 – 2016	50,003
Total	<u>\$216,668</u>

10. CAPITALIZED LEASE – LESSEE DISCLOSURE

In prior years, the School District entered into a capital lease for equipment. Each lease meets the criteria of a capital lease as defined by *Statement of Financial Accounting Standards No. 13, "Accounting for Leases"*, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the Basic Financial Statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by lease have been capitalized in an amount equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded on the statement of net assets for governmental activities. Principal payments in fiscal year 2009 totaled \$17,605.

The original cost of machinery and equipment acquired through a capital lease was \$65,000. As of June 30, 2009 the asset's accumulated depreciation totaled \$61,750, and the net book value is \$3,250.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

10. CAPITALIZED LEASE – LESSEE DISCLOSURE (Continued)

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2009.

Fiscal Year Ending June 30,	Total Payments
2010	\$4,772
Less: Amount Representing Interest	
Present Value of Minimum Lease Payments	\$4,772

11. DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

Plan Description – The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer 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 Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2009, 9.84 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District’s required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008 and 2007 were \$160,043, \$147,559, and \$166,951, respectively; 92.03 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

B. State Teachers Retirement System of Ohio

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

11. DEFINED BENEFIT PENSION PLANS (Continued)

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

Funding Policy – For the fiscal year ended June 30, 2009, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008, and 2007 were \$856,904, \$815,753, and \$819,883, respectively; 85.74 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 were \$8,861 made by the School District and \$41,780 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2009, three members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

12. POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description – The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2009, 4.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2009, this amount was \$35,800.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$92,662, \$91,873, and \$86,339, respectively; 92.03 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For 2009, this actuarially required allocation was 0.75 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007 were \$10,735, \$10,632, and \$10,415 respectively; 92.03 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

B. State Teachers Retirement System of Ohio

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

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

12. POSTEMPLOYMENT BENEFITS (Continued)

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post employment health care may be deducted from employer contributions. For 2009, STRS Ohio allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$65,916, \$62,750, and \$62,739 respectively; 85.74 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

13. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2009, the School District contracted with Governmental Underwriters of America, Inc. (GUA) for property, general liability and automobile insurance. Coverage provided by GUA is as follows:

Buildings and Contents - replacement costs (\$1,000 deductible)	\$34,708,730
Inland Marine Coverage (\$500 deductible)	2,200,000
Blanket Employee Bond (\$250 deductible)	50,000
Automobile Liability	1,000,000
School Errors and Omissions Liability (\$2,500 deductible)	
Per Occurrence	1,000,000
Total Per Year	3,000,000
General Liability:	
Per Occurrence	1,000,000
Total Per Year	3,000,000
Umbrella Liability	5,000,000

Settled claims have not exceeded commercial coverage in any of the past three years. There have been significant reductions in insurance coverage from the prior year; however, coverage from 2008 included all member School Districts of a consortium while the coverage above reflects only the Greene County Vocational School District.

For fiscal year 2009, the School District participated in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping its representation with other participants in the GRP. The workers compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. Hunter Consulting Company provides administrative, cost control and actuarial services to the GRP.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

14. OTHER BENEFITS

A. Compensated Absences

Accumulated Unpaid Vacation - School District classified employees earn vacation leave at varying rates based upon negotiated agreements and State laws. In the case of death or retirement, an employee (or his estate) is paid for his unused vacation leave.

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

B. Insurance Benefits

The School District has elected to provide employee medical benefits through United Health Care. The employees share the cost of the monthly premium with the Board for family plans. The Board pays 100 percent of a single plan premium and eighty-five percent of a family plan premium. For employees hired on or after July 1, 2001, the Board pays 90% of the single plan premium. The School District provides life insurance through AIG Life Insurance Company and dental insurance through Superior Dental to employees.

15. INTERFUND ASSETS/LIABILITIES

Individual fund transfer balances at June 30, 2009 were as follows:

Interfund Transfers:		
<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund		\$44,012
Food Service Fund	\$ 8,835	
Adult Education Fund	24,997	
Student Activities	10,180	
Total	<u>\$44,012</u>	<u>\$44,012</u>

Transfers are used to move General fund revenues to subsidize various programs in other funds.

16. JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Educational Computer Association

The School District is a member of the Miami Valley Educational Computer Association (MVECA), which is a computer consortium of area School Districts sharing computer resources. MVECA is an association of public School Districts in a geographical area determined by the Ohio Department of Education. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative instructional functions among member School Districts. The Board of MVECA consists of one representative from each of the participating members. Each member pays an annual membership fee plus any other fees for services performed by the consortium. During fiscal year 2009, the School District paid \$65,071 for services and fees. Financial information can be obtained from Dean Reineke, who serves as Director, at 330 East Enon Road, Yellow Springs, Ohio 45387.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

16. JOINTLY GOVERNED ORGANIZATIONS (Continued)

Southwestern Ohio Educational Purchasing Council

The School District is a member of the Southwestern Ohio Educational Purchasing Council (SOEPC). The purpose of the council is to obtain prices for quality merchandise and services commonly used by schools within geographical boundaries as defined by the SOEPC and to serve as a resource to member school districts on matters related to business operations.

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

The SOEPC elects one of its members as Chairperson and another as Vice-Chairperson. An Executive Committee is comprised of eleven members which include the Chairperson and Vice-Chairperson and a representative from the Fiscal Agent. Each new member pays an initiation fee in addition to the annual membership fee and other appropriate assessments. During fiscal year 2009, the School District paid \$131,470 for services and fees. Financial information can be obtained from Ken Swink, who serves as Director, at 303 Corporate Center Drive, Suite 208, Vandalia, Ohio 45377.

17. CONTINGENT LIABILITIES

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditures of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2009.

B. Litigation

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

18. OPERATING LEASE – LESSEE DISCLOSURE

During fiscal year 2009, the District entered into a lease purchase agreement in the amount of \$322,460 with Dell Financial Services LLC to finance the purchase of 300 computers. The lease commenced on August 1, 2008 and ends July 31, 2011. The District can purchase the computers for \$1.00 each at the end of the lease. Operating lease payments made during fiscal year 2009 were \$110,314.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

18. OPERATING LEASE – LESSEE DISCLOSURE (Continued)

The future minimum lease payments are as follows:

<u>Fiscal Year</u>	<u>Payment Total</u>
2010	\$110,314
2011	110,314
Total	<u>\$220,628</u>

19. SET ASIDE DISCLOSURE

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

During the fiscal year ended June 30, 2009, the School District's cash basis reserve activity was as follows:

	<u>Textbook Acquisition</u>	<u>Capital Acquisition</u>	<u>Total Memorandum Only</u>
Beginning Set-Aside Balance	(\$4,634,227)		(\$4,634,227)
Current Year Set-Aside	128,366	\$ 128,366	256,732
Current Year Offsets		(1,891,241)	(1,891,241)
Qualifying Disbursements	(548,274)	(250,290)	(798,564)
Ending Set-Aside Balance	<u>(5,054,135)</u>	<u>(2,013,165)</u>	<u>(7,067,300)</u>
Carryover to Fiscal Year 2010	<u>(\$5,054,135)</u>	<u>\$ 0</u>	<u>(\$5,054,135)</u>

The School District had qualifying disbursements during the fiscal year that reduced the textbook and capital acquisition set-aside amounts below zero. The extra amount for textbooks may be used to reduce the set-aside requirements of future fiscal years.

This page intentionally left blank.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

FEDERAL GRANTOR Pass Through Grantor Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE					
(Passed Through Ohio Department of Education)					
Child Nutrition Cluster:					
Non-Cash Assistance (Food Distribution):					
National School Lunch Program	10.555		\$11,440		\$11,440
Cash Assistance					
School Breakfast Program	10.553	\$19,999		\$19,999	
National School Lunch Program	10.555	70,611		70,611	
Total U.S. Department of Agriculture		<u>90,610</u>	<u>11,440</u>	<u>90,610</u>	<u>11,440</u>
U.S. DEPARTMENT OF EDUCATION					
(Direct)					
Student Financial Assistance Cluster:					
Federal Supplemental Educational Opportunity Grants	84.007	14,838		14,838	
Federal Pell Grant Program	84.063	147,698		147,698	
Federal Direct Student Loans	84.268	187,860		187,860	
Total Student Financial Assistance Cluster		<u>350,396</u>		<u>350,396</u>	
(Passed Through Ohio Department of Education)					
Adult Education - Basic Grants to States	84.002	194,731		171,782	
Career and Technical Education - Basic Grants to States	84.048	326,147		324,718	
Safe and Drug-Free Schools and Communities State Grants	84.186	1,572			
State Grants for Innovative Programs	84.298	1,034		1,153	
Improving Teacher Quality State Grants	84.367	2,262		5,127	
Total U.S. Department of Education		<u>876,142</u>		<u>853,176</u>	
Total Federal Assistance		<u>\$966,752</u>	<u>\$11,440</u>	<u>\$943,786</u>	<u>\$11,440</u>

The accompanying notes are an integral part of this schedule.

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

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

NOTE C – FOOD DONATION PROGRAM

Program regulations do not require the School District to maintain separate inventory records for purchased food versus food commodities it receives from the U.S. Department of Agriculture. The School District reports commodities consumed on the Schedule at the fair value.

NOTE D - MATCHING REQUIREMENTS

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



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greene County Vocational School District, Greene County, (the School District), as of and for the year ended June 30, 2009, which collectively comprise the School District's basic financial statements and have issued our report thereon dated January 6, 2010. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the School District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the School District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the School District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the School District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted a certain matter that we reported to the School District's management in a separate letter dated January 6, 2010.

One First National Plaza / 130 W. Second St. / Suite 2040 / Dayton, OH 45402
Telephone: (937) 285-6677 (800) 443-9274 Fax: (937) 285-6688
www.auditor.state.oh.us

Compliance and Other Matters

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

We intend this report solely for the information and use of the management, Board of Education, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

January 6, 2010



Mary Taylor, CPA

Auditor of State

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

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

To the Board of Education:

Compliance

We have audited the compliance of Greene County Vocational School District, Greene County, (the 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 apply to each of its major federal programs for the year ended June 30, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the School District's major federal programs. The School District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. 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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe 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, Greene County Vocational School District complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2009. In a separate letter to the School District's management dated January 6, 2010, we reported another matter related to federal noncompliance not requiring inclusion in this report.

Internal Control Over Compliance

The School District's management is responsible for establishing and maintaining effective internal control over compliance with the 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 directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

One First National Plaza / 130 W. Second St. / Suite 2040 / Dayton, OH 45402

Telephone: (937) 285-6677 (800) 443-9274 Fax: (937) 285-6688

www.auditor.state.oh.us

**Internal Control Over Compliance
(Continued)**

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that the entity's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the School District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

We intend this report solely for the information and use of the management, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

January 6, 2010

**GREENE COUNTY VOCATIONAL SCHOOL DISTRICT
GREENE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2009**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies in internal control 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):	Student Financial Aid Cluster – Federal Supplemental Educational Opportunity Grants (CFDA# 84.007), Federal Pell Grant Program (CFDA # 84.063), Federal Direct Student Loans (CFDA# 84.268) Career and Technical Education – Basic Grants to States (CFDA # 84.048)
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Greene County Vocational School District (the School District) has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board adopted an anti-harassment policy at its meeting on March 15, 2006.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
 - 1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - 2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
 - 3) A procedure for reporting prohibited incidents;
 - 4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - 5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
 - 6) A procedure for documenting any prohibited incident that is reported;

- 7) A procedure for responding to and investigating any reported incident;
- 8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- 9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
- 10) A requirement that the School District administration semiannually provide the president of the District board a written summary of all reported incidents and post the summary on its web site, if the School District has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

January 6, 2010



Mary Taylor, CPA
Auditor of State

GREENE COUNTY VOCATIONAL SCHOOL DISTRICT

GREENE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 26, 2010**