

**BUTLER COUNTY JOINT  
VOCATIONAL SCHOOL DISTRICT**

Single Audit Reports

June 30, 2002





**Auditor of State  
Betty Montgomery**

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Board of Education  
Butler County Joint Vocational School District

We have reviewed the Independent Auditor's Report of the Butler County Joint Vocational School District, Butler County, prepared by Clark, Schaefer, Hackett & Co. for the audit period July 1, 2001 through June 30, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

January 28, 2003

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# BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT

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# **BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT**

## **Schedule of Prior Audit Findings**

**Year Ended June 30, 2002**

The prior audit disclosed no instances of noncompliance with requirements of major federal programs. In addition, no reportable conditions or material weaknesses with respect to internal controls over compliance with requirements that could have a direct and material effect on a major federal program were reported in the prior year.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT**

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2002

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture:</u>				
(Passed through Ohio Department of Education)				
National School Lunch Program	LL-PP-01	10.555	\$ <u>1,260</u>	<u>1,260</u>
Total U.S. Department of Agriculture			<u>1,260</u>	<u>1,260</u>
<u>U.S. Department of Education:</u>				
Pell Grant	n/a	84.063	303,166	303,166
Passed through Ohio Department of Education: Vocational Education Basic Grant	20-C1/C2-01/02	84.048	539,622	591,556
Eisenhower Professional Development Grant	MS-S1-01/02	84.281	3,491	5,795
Innovative Education Program Strategies	C2-S1-01/02	84.298	<u>2,442</u>	<u>3,338</u>
Total U.S. Department of Education			<u>848,721</u>	<u>903,855</u>
Total Federal Awards			\$ <u>849,981</u>	<u>905,115</u>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of federal awards is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.



Clark, Schaefer, Hackett & Co.  
CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

**REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Education  
Butler County Joint Vocational School District:

We have audited the financial statements of the Butler County Joint Vocational School District as of and for the year ended June 30, 2002, and have issued our report thereon dated October 18, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Butler County Joint Vocational School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

Internal Control Over Financial Reporting

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

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

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
October 18, 2002

# Clark, Schaefer, Hackett & Co.

CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

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

To the Board of Education  
Butler County Joint Vocational School District:

### Compliance

We have audited the compliance of Butler County Joint Vocational School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. Butler County Joint Vocational School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, Butler County Joint Vocational School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

### Internal Control Over Compliance

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of Butler County Joint Vocational School District as of and for the year ended June 30, 2002, and have issued our report thereon dated October 18, 2002. Our audit was performed for the purpose of forming opinions on the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements of Butler County Joint Vocational School District. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements.

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

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
October 18, 2002

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

***BUTLER COUNTY JOINT VOCATIONAL  
SCHOOL DISTRICT  
BUTLER COUNTY, OHIO***

***Year Ended June 30, 2002***

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs

Year Ended June 30, 2002

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of report issued on financial statements:	unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	none
Reportable condition(s) identified not considered to be material weaknesses?	none
Noncompliance material to financial statements noted?	no

**Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	none
Reportable condition(s) identified not considered to be material weaknesses?	none
Type of auditors' report issued on compliance for major programs:	unqualified
Any audit findings that are required to be reported in accordance with Circular A-133, Section .510(a)?	none
Identification of major programs:	
<i>CFDA 84.063 Student Financial Assistance - Pell Grant</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	yes

**Section II - Financial Statement Findings**

None.

**Section III - Federal Award Findings and Questioned Costs**

None.

BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT

BUTLER COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2002

Prepared by:  
Office of the Treasurer

Wayne D. Bethel

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 YEAR ENDED JUNE 30, 2002**

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*Butler County Joint Vocational  
School District, Ohio*

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# **INTRODUCTORY SECTION**

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## Butler County Joint Vocational School District

3603 Hamilton-Middletown Road Hamilton, OH 45011  
Phone (513) 868-1911 Fax (513) 868-9348  
www.butlercountyjvs.com

Robert D. Sommers  
Chief Executive Officer

Wayne D. Bethel  
Chief Financial Officer

October 18, 2002

### TO THE CITIZENS AND BOARD OF EDUCATION OF THE BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT:

State law requires that the Butler County Joint Vocational School District (School District) annually publish a complete set of financial statements for the results of its fiscal operations, presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards. This report meets the state requirements for the auditor's opinion and the minimum basic financial statements, and it goes a step further by providing this Comprehensive Annual Financial Report (CAFR). This CAFR provides the reader additional information regarding the School District's finances. The report is comprised of the following three major sections:

1. **The Introductory Section** includes the table of contents, this letter of transmittal, a list of elected officials and key administrative personnel, an organizational chart, and the Certificate of Achievement for Excellence in Financial Reporting.
2. **The Financial Section** contains the Independent Auditors' Report, Management's Discussion and Analysis, and the School District's basic financial statements, which include explanatory notes thereto, and Required Supplementary Information. This section also includes additional supplementary information including the combining financial statements and the individual fund budget-versus-actual schedules.
3. **The Statistical Section** presents social, economic and historical data in a multi-year format which can be used to identify financial trends and data relative to the fiscal capacity of the School District.

A complete CAFR is not required to be prepared, but by doing so it represents a commitment by the School District to achieve the highest nationally recognized standards of excellence in financial reporting as established by the Government Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).

This report consists of management's representations concerning the finances of the School District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile reliable information for the preparation of the School District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the School District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. Management asserts that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The School District's financial statements have been audited by Clark, Schaefer, Hackett, and Co., Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the School District for the year ended June 30, 2002 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the School District's financial statements for the year ended June 30, 2002, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The School District's MD&A can be found immediately following the report of the independent auditors.

## **PROFILE OF THE GOVERNMENT**

As a joint vocational school (JVS) district organized under Section 3311.18 of the Ohio Revised Code, the School District provides career-technical education programs to nine member school districts. The member school districts are Edgewood, Fairfield, Lakota, Madison, Middletown, Monroe, New Miami, Ross, and Talawanda. The School District provides career-technical education programs to secondary and adult students.

The School District is governed by a nine (9)-member board of directors representing the nine participating Butler County school districts. Each of the member school districts has direct representation through board members (elected to their local school district board) and appointed to serve on the JVS Board for a two-year term. The JVS Board holds power and authority for the management and control of the School District (Section 3311.19 (A) of the Ohio Revised Code). Section 3311.19 (D) vests the School District's Board of Education the same powers, duties, and authorities as granted by law to a board of education of a city school district and all provisions of law that applies to a city school district (excluding jurisdiction by a city civil service commission).

The Board serves as the taxing authority, contracting body, and policy initiator for the operation of the School District and is also responsible for the tax budget and the annual operating budget. The Board has only those powers and authority conferred upon it by the Ohio Revised Code.

The Chief Executive Officer of the School District is directly responsible to the Board for all educational and support operations of the School District. The Board employed Robert D. Sommers, Ph.D. as the School District's Superintendent (now known as the Chief Executive Officer) effective January 1, 2002. Dr. Sommers has been an educator for 23 years, beginning his career as an industrial arts and agricultural educator. From 1986 to 2001, he was an educational administrator with the Ohio Department of Education, where he rose to the position of Associate Director in the Office of Career-Technical and Adult Education. Dr. Sommers earned his Bachelor of Science degree in Education from Miami University in Oxford, Ohio. He went on to earn both a Master's Degree in Agricultural Education as well as a Doctor of Philosophy in Education Administration and Leadership from the Ohio State University

The Board employed Wayne D. Bethel as Treasurer (now known as the Chief Financial Officer) of the School District and he is directly responsible to the Board for all financial operations, investments, and maintains custody of all School District funds as well as serving as Secretary to the Board. Mr. Bethel was initially hired by the School District as interim Treasurer effective December 1, 1997 through December 31, 1997 and was appointed as Treasurer on January 1, 1998. Mr. Bethel was subsequently awarded a four-year contract as Treasurer, which will expire at the Board's Organizational meeting in January 2004. Mr. Bethel has served as a school Treasurer since 1975 and holds a B.B.A. from Wheeling Jesuit College, and an associate degree in accounting from Belmont Technical College. Mr. Bethel is recognized by the Ohio Association of School Business Officials as a registered School Business Fiscal Officer.

All other School District employees are responsible to the Superintendent and are employed by the Board upon the recommendation of the Superintendent.

D. Russel Lee Career~Technology Center provides its' 617 students a variety of secondary workforce development programs designed to give high school students technical and academic skills. The School District's 82 Satellite programs, located in the members' school buildings, provide 4,835 middle and high school students career-technical programs needed in today's global economy. As part of their programs, students are involved in career-technical student organizations that allow students to participate in both skill events and leadership activities.

In addition to middle school and high school programs, the School District is a state designated Adult Education Full Service Center offering various career enhancement and career development programs to over 4,700 adults who enroll in these programs yearly. Career enhancement programs provide adult students with opportunities to receive education in specific skill areas in a 4-6 week period. These courses can be used to enhance current skills or generate new skills that are useful in the workplace.

Additionally, Adult Education consultative programs focus on customized training for business and industry and is comprised of three programs which deliver a variety of workforce training solutions including: Customized Office Skills Training, Diversified Industrial Training, and Safety and Compliance Training. During the 2001-2002 year consultative units offered 104 programs and trained 1,475 individuals in classes customized to meet the needs of individual businesses.

The Police Training Institute (PTI) became a division of the Butler County Joint Vocational School District in January 2001. PTI is responsible for providing advanced law enforcement training opportunities to working law enforcement officers throughout the United States. To date, 808 students representing 115 different agencies have been served.

The annual budget is the foundation for the School District's financial planning and control. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The District maintains its accounts, appropriations and other financial records in accordance with the procedures established and prescribed by the Ohio Auditor of State. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution approved by the Board of Education. Activities of all funds are included in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The School District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year-end are carried forward to succeeding years and are not reappropriated. As demonstrated by the schedules included in the financial section of this report, the School District continues to meet its responsibility of sound financial management.

## **FACTORS AFFECTING FINANCIAL CONDITION**

**Local Economy.** Expanding residential and commercial growth has fueled Butler County to be one of the fastest growing counties in Ohio. The County was recently ranked by Forbes Magazine as one of the top 100 locations in the country to live and work. Housing starts in the unincorporated areas of West Chester, Liberty and Fairfield Townships continue to expand to meet the burgeoning demand. Business expansion at the Union Centre interchange with I-75 continues as new companies expand into the area. New job opportunities, low tax rates and the fact that the County is located within a central metroplex between the Cincinnati and Dayton areas have created significant growth.

The favorable economic outlook for Butler County has augmented the presence and strength of longstanding Butler County companies, such as AK Steel, Cincinnati Financial Corporation, and the Ohio Casualty Insurance Company, which employ approximately 4,250, 2,000, and 1,500 people respectively. Financial services, paper manufacturing, retail stores, and medical companies as well as educational and governmental organizations complete the list of top employers. All of these larger companies create the need for a variety of smaller businesses that are thriving in the growing atmosphere that the County is currently enjoying.



**Long-term financial factors.** A five-year plan was developed and presented to the Board with the permanent appropriations in September. This plan documented that since January 1996, salaries and benefits dropped from eighty-one per cent of the total annual operating budget to sixty-three per cent. By following the five-year spending plan, the School District can develop a strategic plan supported by a spending plan to meet future needs of the School District. Although the School District is not in financial difficulty, the five-year plan will serve as a guide in providing financial data and documentation necessary in making decisions affecting the annual budget and future financial integrity of the School District.

House Bill 282 that went into effect on July 1, 1999 changed the funding of vocational education from unit reimbursement to ADM funding. This change in funding aligns vocational school funding with that of a comprehensive school. The new funding method will now allow us to change our budget process to correspond with the new funding method. All General Fund programs budgets will be based upon the number of approved full-time equivalent students (FTE) that are in each program as of the October EMIS count. Each budget is calculated based upon a predetermined cost per program times the number of approved FTE's in the program. At the start of the school year the prior years FTE's are used to compute the budget, and modified up or down once we receive the final FTE count from the State.

The School District endeavors to foster cooperative relationships with business and industry, professional organizations, associate school districts, and other interested, concerned groups and organizations. The purpose of cooperative relationships is to consider, plan, and implement educational programs designed to meet the common needs and interests of students. The School District engaged in a major strategic planning process during the 2001-2002 school year. The strategic plan was managed by an internal work team representing all facets of the organization. The plan was created by the Strategic Planning Cabinet, an external and internal planning group using information collected from community, student, and staff surveys, data reports, and focus group feedback. The plan was approved by the Board in May 2002.

Business-school partnerships are formal, voluntary relationships between the School District and businesses. These partnerships bring together businesses and the School District in order to address specific educational goals and objectives. They also give the School District insight into the educational and training needs of business and industry. One way in which the School District involves the business community is through program advisory committees. These committees are comprised of individuals who agree to serve as advisors for one or more career-technical programs. Membership may include former students, parents of current students, and representatives of business, industry, labor, and community agencies. These members can provide valuable advice, guidance, and assistance in providing opportunities for students to understand and learn the basic skills necessary to succeed.

The following partnerships were initiated in the second half of the fiscal year:

The Southeastern Butler County Workforce Academy was a partnership of the Southeastern Butler County Chamber of Commerce and the two Miami University regional campuses. This partnership was created to bring high quality workforce development to companies and individuals in the southeastern Butler County region.

The Greentree Health Science Academy partnership includes the District, Warren County Career Center, and the Middletown Regional Hospital. This partnership was designed to improve the quality of secondary healthcare education and the quantity of individuals pursuing a career in the healthcare field.

The Butler-Warren Workforce Collaborative was formed with the Miami University regional campuses and the Warren County Career Center to serve the workforce needs of the region.

## **Major Initiatives**

### New Career Technical Programs

In order to better meet the needs of all students, the School District implemented the following new secondary programs that provide expanded career-technical education in areas consistent with community needs and the new emerging workforce:

#### **2-Year Training Programs**

E-Commerce	Ross High School
Information Technology	Ross High School Fairfield High School
Engineering Design	Ross High School

#### Foundations Programs

Arts and Communications	Fairfield High School
Information Technology	Fairfield High School Fairfield Freshman High School New Miami High School Ross High School
Industrial Engineering	New Miami High School Lakota Freshman High School

#### Work and Family Life Programs

Fairfield Freshman High School  
Fairfield High School  
Lakota Freshman High School  
Middletown High School / Garfield Alternative High School

#### Career-Based Intervention Programs

Middletown High School  
Edgewood High School  
Hopewell Junior High – Lakota School District  
Liberty Junior High – Lakota School District  
Wokini – Lakota School District

## Renovation/Addition to D. Russel Lee Career~Technology Center

The School District completed extensive renovations to update the facilities at the D. Russel Lee Career~Technology Center.

## District Reorganization

During the second half of the fiscal year, the Board of Education adopted a new organizational structure. The structure was transitioned into place with final changes taking effect during fiscal year 2002-2003. Specific changes that occurred during the fiscal year include:

- Change in title of the Superintendent and Treasurer to Chief Executive Officer and Chief Financial Officer respectively.
- Change in title of the Assistant to the Superintendent to Senior Vice President.
- Merger of work and family life programs and career development programs under the Vice-President of Career Development.
- Merger of the Adult Education and Workforce Development divisions into one Adult Workforce education division.
- Added Human Resources and Information Management to the operating staff.
- Creation of the position of Human Resource Director.

**Cash management policies and practices.** The School District's cash management program addresses the issues of safety, liquidity and yield while maximizing returns. The District utilizes U.S. Treasury notes, certificates of deposit, commercial paper and repurchase agreements for long-term investments for cash, which is not readily needed.

**Risk management.** The School District continues to protect its assets through its participation with other school districts in Butler County in the Butler County Health Plan (BCHP), a public entity risk pool currently operating as a common risk management and insurance program. The School District pays an annual premium to the pool for its general insurance coverage. The risk of loss transfers entirely from the School District to BCHP. The Agreement for Formation of BCHP provides that BCHP will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$125,000 pooling level each year.

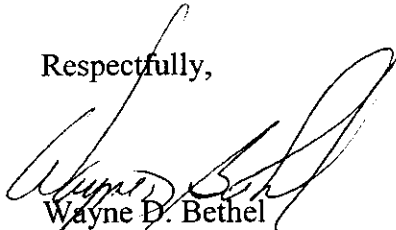
## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Butler County Joint Vocational School District for its comprehensive annual financial report for the fiscal year ended June 30, 2001. This was the fourth consecutive year that the School District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report was made possible by the dedicated service of the entire Treasurer's staff and Central Office Leadership staff. Finally, a word of thanks is necessary to recognize the commitment to excellence in financial management and reporting by all the members of the Butler County Joint Vocational School District Board of Education.

Respectfully,



Wayne D. Bethel  
Chief Financial Officer



Robert D. Sommers, Ph.D.  
Chief Executive Officer

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

**LIST OF PRINCIPAL OFFICIALS**

**JUNE 30, 2002**

**BOARD OF EDUCATION**

President	Michael Oler	Fairfield City School District
Vice President	Sharon Anderson	Edgewood City School District
Board Member	Dr. Donald Barnhart	Talawanda City School District
Board Member	Thomas Birdwell	Monroe Local School District
Board Member	Alberta Derrough	Madison Local School District
Board Member	Richard Emery	Ross Local School District
Board Member	Katie McNeil	Middletown/Monroe City Schools
Board Member	Sue Price	New Miami Local School District
Board Member	Daniel Warncke	Lakota Local School District

**ADMINISTRATIVE OFFICIALS**

Superintendent	Robert D. Sommers, Ph.D.
Treasurer	Wayne D. Bethel
Director, Secondary Education	Denise Kalmus
Director, Adult Education	Donna Trent

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Butler County Joint  
Vocational School District,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2001

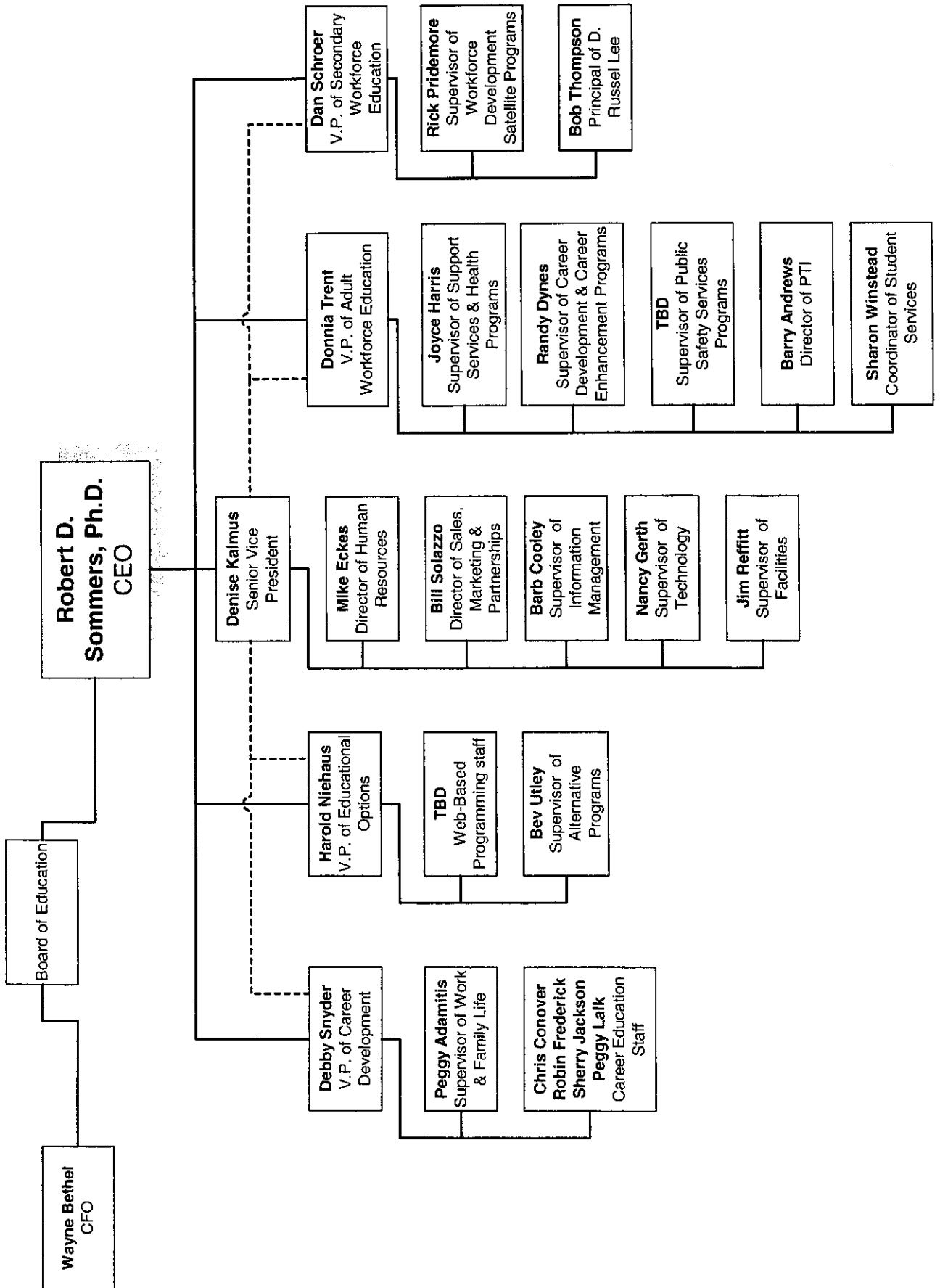
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Imelda Arce*  
President

*Jeffrey L. Esser*  
Executive Director

# Butler County Joint Vocational School District



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*Butler County Joint Vocational  
School District, Ohio*

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# **FINANCIAL SECTION**

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**Clark, Schaefer, Hackett & Co.**  
CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

**INDEPENDENT AUDITORS' REPORT**

To the Board of Education  
Butler County Joint Vocational School District, Ohio:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Butler County Joint Vocational School District, Ohio as of and for the year ended June 30, 2002, 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 an opinion 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 *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that 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, the business-type activities, each major fund, and the aggregate remaining fund information of Butler County Joint Vocational School District, Ohio as of June 30, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2 to the basic financial statements, the School District adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments*; Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; Statement No. 38, *Certain Financial Statement Note Disclosures*; Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of July 1, 2001. This results in a change in the format and content of the basic financial statements.

Clark, Schaefer, Hackett & Co.  
CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2002, except for Note 17, as to which the date is December 11, 2002, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The Management's Discussion and Analysis and the budgetary information on pages 3 to 12 and 48 to 49, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
October 18, 2002  
except for Note 17, as to  
which the date is  
December 11, 2002



**Butler County Joint Vocational School District**  
3603 Hamilton-Middletown Road Hamilton, OH 45011  
Phone (513) 868-1911 Fax (513) 868-9348  
www.butlercountyjvs.com

**Robert D. Sommers**  
Chief Executive Officer

**Wayne D. Bethel**  
Chief Financial Officer

### **MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**

This discussion and analysis provides key information from management highlighting the overall financial performance of the Butler County Joint Vocational School District for the year ended June 30, 2002. This is meant to be an easily readable summary of the most important financial information regarding the accompanying financial statements. Please read it in conjunction with the transmittal letter and the School District's financial statements.

#### **Financial Highlights**

Major financial highlights for fiscal year 2002 are listed below:

- ✓ The assets of the School District exceeded its liabilities at year-end by \$33.3 million. Of this amount, \$12.7 million may be used to meet the government's ongoing obligations to citizens and creditors.
- ✓ In total, net assets increased by \$4.9 million.
- ✓ The District had \$15.1 million in expenses related to governmental activities; only \$.8 million of these expenses were offset by program specific charges for services, grants or contributions. General revenue of \$19.2 million, made up primarily of property taxes and State Foundation payments, were adequate to provide for these programs.
- ✓ The General Fund balance decreased by \$4.9 million from \$17.4 million in fiscal year 2001 to \$12.5 million in fiscal year ended June 30, 2002

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are 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. This report also contains other supplementary information in addition to the basic financial statements themselves.

**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.

# BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO

## Management's Discussion and Analysis

Year Ended June 30, 2002

Unaudited

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The statement of activities presents information showing how the government'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 years (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 instruction, support services, administration, operation and maintenance of plant, and extracurricular activities. The business-type activities of the School District include adult education and food services.

**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 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 three categories: governmental funds, proprietary funds, and fiduciary funds.

**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 the 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 a government'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 government activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government'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 government funds and governmental activities.

The School District accounts for its activities using many individual funds. The most significant funds are reported in separate columns in the governmental fund financial statements. These statements provide detailed information about the individual major funds – unlike the government-wide financial statements, which report on the School District as a whole. Some funds are required to be established by State law. However, the School District may also establish separate funds to show that it is meeting legal responsibilities for using certain grants or other money.

**Proprietary funds.** The School District utilizes enterprise funds, which report the same functions presented as business-type activities in the government-wide financial statements. The School District uses an enterprise fund to account for its adult education program. Proprietary funds provide the same information as the government-wide financial statements, only in more detail.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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 accounting used for fiduciary funds is much like that used for proprietary funds.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2002**  
**Unaudited**

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**Notes to the basic 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.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information concerning the budget for the General Fund. Combining statements related to nonmajor governmental and proprietary funds are presented immediately following the required supplementary information.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**A. Net assets at year-end**

The following table presents a condensed summary of the School District's overall financial position at June 30, 2002:

	<b>Governmental</b>	<b>Business-type</b>	<b>Total</b>
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
Current and other assets	\$ 31,957,256	1,120,943	33,078,199
Capital assets	<u>17,758,099</u>	<u>135,389</u>	<u>17,893,488</u>
Total assets	<u>49,715,355</u>	<u>1,256,332</u>	<u>50,971,687</u>
Long-term debt outstanding	5,927,894	89,799	6,017,693
Other liabilities	<u>11,482,250</u>	<u>176,584</u>	<u>11,658,834</u>
Total liabilities	<u>17,410,144</u>	<u>266,383</u>	<u>17,676,527</u>
Net assets:			
Invested in capital assets, net of debt	12,647,995	135,389	12,783,384
Restricted:			
For capital purposes	7,722,845	-	7,722,845
Other purposes	56,364	-	56,364
Unrestricted	<u>11,878,007</u>	<u>854,560</u>	<u>12,732,567</u>
Total net assets	\$ <u>32,305,211</u>	<u>989,949</u>	<u>33,295,160</u>

Because this is the first year to report all activities using the accrual basis of accounting, a comparison to the prior year is not possible. However, in future years, this section will explain the differences between the current- and prior-year assets, liabilities, and changes in net assets. Refer to the following section for discussion of the reasons for the change in net assets during the year.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2002**  
**Unaudited**

**B. Governmental and Business-type Activities during fiscal year 2002**

The following table presents a condensed summary of the School District's activities during fiscal year 2002 and the resulting change in net assets:

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<b>Revenues:</b>			
Program revenues:			
Charges for services and sales	\$ 58,820	2,518,383	2,577,203
Operating grants and contributions	<u>745,037</u>	<u>897,072</u>	<u>1,642,109</u>
Total program revenues	<u>803,857</u>	<u>3,415,455</u>	<u>4,219,312</u>
General revenues:			
Property taxes	8,205,078	-	8,205,078
Grants and entitlements	9,664,383	-	9,664,383
Investment earnings	1,127,189	84	1,127,273
Miscellaneous	<u>174,207</u>	<u>-</u>	<u>174,207</u>
Total general revenues	<u>19,170,857</u>	<u>84</u>	<u>19,170,941</u>
<b>Total revenues</b>	<u>19,974,714</u>	<u>3,415,539</u>	<u>23,390,253</u>
<b>Expenses:</b>			
Instruction	9,988,936	-	9,988,936
Support services:			
Pupil	539,492	-	539,492
Instructional staff	543,890	-	543,890
General administration	108,017	-	108,017
School administration	998,374	-	998,374
Fiscal	566,909	-	566,909
Business	33,186	-	33,186
Operation and maintenance of plant	1,266,864	-	1,266,864
Pupil transportation	66,090	-	66,090
Central	639,936	-	639,936
Non-instructional services	87,092	-	87,092
Interest and fiscal charges	238,361	-	238,361
Adult education	-	2,731,344	2,731,344
Food services	-	202,356	202,356
Other enterprise	<u>-</u>	<u>476,069</u>	<u>476,069</u>
<b>Total expenses</b>	<u>15,077,147</u>	<u>3,409,769</u>	<u>18,486,916</u>
<b>Transfers</b>	<u>(282,500)</u>	<u>282,500</u>	<u>-</u>
<b>Increase in net assets</b>	<u>\$ 4,615,067</u>	<u>288,270</u>	<u>4,903,337</u>



**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
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**Unaudited**

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Of the total governmental activities revenues of \$19,974,714, \$803,857 (4%) is from program revenue. This means that the government relies on general revenues to fund the majority of the cost of services provided to the citizens. Of those general revenues, 43% (\$8,205,078) comes from property tax levies and 50% (\$9,664,383) is from state and federal funding. The School District's operations are reliant upon its property tax levy and the state's foundation program.

As previously mentioned, because this is the first year to report all activities using the accrual basis of accounting, a comparison to the prior year is not possible. However, in future years, this section will explain the differences between the current- and prior-year assets, liabilities, and changes in net assets.

***Governmental Activities***

The following table presents the total cost of each of the government's primary services, and the comparative net cost after deducting the revenues generated by each function. Approximately 5% of the cost of the general government programs was recouped in program revenues. Instruction costs were \$9,988,936 but program revenue contributed to fund 7% of those costs. Thus, general revenues of \$9,334,896 were used to support of remainder of the instruction costs.

The School District's governmental activities net assets increased by \$4,615,067 due primarily to an investment in capital assets of \$4,100,565 and the payment of \$2,388,721 of principal of outstanding bonds, notes and capital lease liabilities.

		<b>Governmental Activities</b>			
		<b>Total Cost</b>	<b>Program</b>	<b>Revenues</b>	<b>Net Cost</b>
		<b>of Services</b>	<b>Revenue</b>	<b>as a % of</b>	<b>of Services</b>
		<u>          </u>	<u>          </u>	<u>Total Costs</u>	<u>          </u>
Instruction	\$	9,988,936	654,040	7%	9,334,896
Support services		4,762,758	149,817	3%	4,612,941
Non-instructional services		87,092	-	0%	87,092
Interest and fiscal charges		<u>238,361</u>	<u>-</u>	0%	<u>238,361</u>
<b>Total</b>	<b>\$</b>	<u><b>15,077,147</b></u>	<u><b>803,857</b></u>	<u><b>5%</b></u>	<u><b>14,273,290</b></u>

***Business-type Activities***

Net assets of the business-type activities increased by \$288,270 primarily due to operating subsidies provided from the general fund in the form of transfers of \$282,500 to the food service and other enterprise funds. Net revenue for all business-type activities was \$5,686.

The following table presents the total cost of each of the School District's business segments and the net cost after deducting the revenues generated by each segment. Tuition charges and operating grants fully paid for the costs of Adult Education and provided \$223,952 in net revenue. Charges for food services provided 70% of the costs.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
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**Business-type Activities**

		<b>Total Cost of Services</b>	<b>Program Revenue</b>	<b>Revenues as a % of Total Costs</b>	<b>Net Cost (Revenue) of Services</b>
Adult education	\$	2,731,344	2,955,296	108%	(223,952)
Food services		202,356	142,002	70%	60,354
Other enterprise		<u>476,069</u>	<u>318,157</u>	67%	<u>157,912</u>
<b>Total</b>	<b>\$</b>	<b><u>3,409,769</u></b>	<b><u>3,415,455</u></b>	<b><u>100%</u></b>	<b><u>(5,686)</u></b>

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S INDIVIDUAL FUNDS**

**Governmental funds**

The School District has four major governmental funds: General Fund, Debt Service Fund, Permanent Improvement Fund and Building Fund. Assets of these four funds comprise \$31,713,773 (99%) of the total \$32,016,714 governmental funds assets. The following provides an analysis of these major funds:

**General Fund.** Fund balance at June 30, 2002 was \$12,506,951, including \$10,871,579 of unreserved balance, which represents 66% of expenditures for fiscal year 2002. Other financing uses represent primarily operating and capital transfers, including \$3,875,000 to the Building Fund and \$507,500 to the Permanent Improvement Fund. These transfers, totaling \$4,939,558, are the primary reason for the decrease in fund balance of \$4,949,133. Historically, the School District has been able to finance significant construction and capital improvements with General Fund surpluses.

**Debt Service Fund.** This fund is used to retire general obligation bonds as well as notes payable to the State Department of Vocational Education.

**Permanent Improvement Fund.** The General Fund transferred \$507,500 to this fund during fiscal year 2002 to fund future capital improvements.

**Building Fund.** The General Fund transferred \$3,875,000 to this fund during fiscal year 2002 to fund a future land purchase and future construction of a new facility.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The schedule comparing the School District's original and final budgets and actual results are included in the required supplementary information. Differences between the original and final budget relate primarily to restricted accounts that are not appropriated to program budgets each year. They are appropriated based upon need. These accounts are:

Restricted educational supplies – The Board pays for these fees by placing the amount of funds needed based on program enrollment into the appropriate program account using a 511 code in the job segment of the account structure. At the end of the fiscal year the 511 accounts are zeroed out. This allows us to track the actual program cost, but does not interfere with the programs operational budget. For fiscal year 2002 we added \$31,827 to the appropriations to fund this account.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Management's Discussion and Analysis

Year Ended June 30, 2002

Unaudited

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Restricted Textbook Account - The Board pays for the purchase of all adopted textbooks by placing the amount of funds needed based on program enrollment into the appropriate program account using a 521 code in the job segment of the account structure. At the end of the fiscal year the 521 accounts are zeroed out. This allows us to track the actual program cost, but does not interfere with the programs operational budget. For fiscal year 2002 we added \$51,099 to the appropriations to fund this account.

Capital Outlay Restricted Account - The Board pays for the purchase of all capital equipment to comply with the 75% Rule by placing the amount of funds needed into the appropriate program account using a 640 code in the job segment of the account structure. At the end of the fiscal year the 640 accounts are zeroed out. This allows us to track the actual program cost, but does not interfere with the programs operational budget. For fiscal year 2002 we added \$1,855,755 to the appropriations to fund this account.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** At June 30, 2002, the School District had \$17,893,488 invested in a broad range of capital assets, including land, buildings, equipment and vehicles. The total increase in the School District's investment in capital assets for the current fiscal year was 21%. See Note 7 to the financial statements for more detail.

**Capital Assets at Year-End  
(Net of Depreciation)**

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Land	\$ 509,672	-	509,672
Buildings	11,675,875	-	11,675,875
Building improvements	2,650,824	-	2,650,824
Furniture and equipment	2,516,132	135,389	2,651,521
Vehicles	<u>405,596</u>	<u>-</u>	<u>405,596</u>
Total	\$ <u>17,758,099</u>	<u>135,389</u>	<u>17,893,488</u>

Major capital asset events during the current fiscal year included:

Renovation/Addition to D. Russel Lee Career~Technology Center

Fiscal year 2002 saw the substantial completion of a major renovations program to update the facilities of the D. Russel Lee Career~Technology Center.

H.B. 282 - 75% Rule: Use of Vocational Education Additional Weighted Funds

State Vocational Education Additional Weighted Costs Funds shall only be expended on costs associated with the delivery of vocational programming to vocational students. At least 75% of such funds must be spent on curriculum development and purchase, student assessment, instructional resources and supplies, Vocational Student Organization dues or expenses, work-site learning experience costs, extended vocational programming, equipment purchases or leases, professional development, industry-based program certification, student credentialing, and other unique costs directly associated to vocational education, excluding indirect costs and administrative costs. The funds expended shall not be used for personnel costs with the exception of extended vocational programming.

## **BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

### **Management's Discussion and Analysis**

**Year Ended June 30, 2002**

**Unaudited**

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Vocational Education Associated Services shall be defined as those non-administrative expenditures a school district expends on vocational students for apprenticeship coordination, coordination of vocational programming development, such as, but not limited to, career pathways, high schools that work, tech prep, placement coordination, and vocational evaluation. Expenditures under this rule may include expenditures for personnel and purchased services. Indirect and administrative costs shall not be included as approved expenditures. The School District's primary focus for the use of these funds is to upgrade all of our equipment in existing programs and the purchase of equipment for all of the new programs.

### **Debt**

The School District issued no new debt during 2002, and activity consisted of making the required annual debt service payments on its outstanding debt. The total general obligation bonds outstanding at year-end were \$3,595,000 with \$1,600,000 due within one year. The School District's school improvement general obligation bonds mature in December 2003. See Note 12 to the financial statements.

The School District was able to issue bonds without going to the voters and requesting an increase in their taxes. We were able to take advantage of a section of the Ohio Revised Code that permits School Districts to issue unvoted indebtedness not to exceed 1/10 of 1% of the property valuation of the School District. In addition, the Board adopted a debt-restructuring plan that will allow us to pay off the debt of the new facility in three years.

### **ECONOMIC FACTORS**

A challenge facing the School District is the future of state funds. On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including a change in the school districts that are used as the basis for determining the base cost support amount and fully funding parity aid no later than the beginning of fiscal year 2004. The State of Ohio asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001. The Court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. The mediator has issued his final report indicating that the conference was unable to produce a settlement so the case is now under reconsideration by the Court. The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

### Tax Abatements

Ohio Revised Code 5709 requires the inclusion of joint vocational school districts when creating tax incentive review councils, but does not require any type of formula tax relief as is provided for city, local or exempted village school districts. While the code permits the joint vocational school to be at the bargaining table, they have no power or authority to demand tax compensation or participate in School Donation Agreements to compensate for the loss of property tax revenue. The Ohio Attorney General issued opinion 200-030 which states in part, "a joint vocational school district does not have notification, veto, negotiation, or compensation rights under the tax abatement statutes, that grant such rights to city, local or exempted village school districts." Therefore, anytime the County Commissioners or a municipal corporation offer tax abatements or exemptions for economic development purposes, the joint vocational school will realize a direct loss in tax revenue. Furthermore, since notification is not required, it is reasonable to assume that such abatements would be done without the vocational school's knowledge, making it impossible to include such actions in a financial plan.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2002**  
**Unaudited**

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Personal Property Tax Reductions per H.B. 283

H.B. 283 was adopted in 1999 and will reduce the assessed valuation of the inventory component of Personal Property tax from 25% to 0% by the year 2031. Generally, the assessed valuation of the inventory component of Personal Property taxes will be reduced by 1%, beginning with the January 1, 2002 tax levy. However, beginning January 1, 2007, assessed values on the inventory component of Personal Property taxes will be the lesser of 24%, or the current assessed value. Personal Property taxes will then be reduced by 1% each year, beginning in 2008, until the assessed value is 0% ending no later than the year 2031.

No legislation has been passed to replace the loss of Personal Property taxes from the State of Ohio revenues. The loss of revenue in the years 2002, 2003, and 2004, cannot be estimated with a high degree of accuracy as Business Tangible Personal Property Tax Returns are confidential and subject to changes in economic condition annually.

Public Utility Tax Assessment and Refund

On September 2, 1999, Columbia Gas of Ohio filed a constitutional equal protection case with the Ohio Supreme Court to reduce its assessed value on Personal Property tax from 88% assessed value to 25%, going back to the 1993 tax returns. The outcome of this case could have three significant ramifications to all school districts in the state. First, there would be refunds estimated as much as \$323.3 million, plus interest, due to Columbia Gas of Ohio. Second, other utility companies would follow suit in filing similar actions to lower their assessed values to 25%, going back to the 1993 returns. Thirdly, assessed values on Public Utility Personal Property would be lowered to 25% for future years. The outcome of this case is undeterminable at this time, but could have a significant impact on School District revenues.

Electric Utility Deregulation H.B. 5 / S.B. 3 Effective 7/6/99

Effective January 1, 2001, non-municipal owned electric utilities and rural co-ops will be deregulated in the state of Ohio. Pending the results of the Columbia Gas Supreme Court case filed September 2, 1999, the distribution and transmission of Personal Property will continue to be assessed at 88%. All other electric company personal property will be reduced from 100% assessed value to 25% (from 50% to 25% for rural co-ops). This will significantly reduce revenues to certain school districts and moderately affect others. Districts on the SF-3 formula will receive some additional state revenues to offset the value loss. Cap districts will likely not receive any mitigation of the tax loss through additional SF-3 revenues.

Effective May 1, 2001, a Kilowatt Hour (KWH) tax will begin to be collected. 37.8% of these new dollars would be deposited in a new Property Tax Replacement Fund (PTRF). 70% of the PTRF will be paid to school districts that lost revenue as determined by the Ohio Department of Taxation. The first distribution will cover the costs of fixed amount levies such as debt issuers and emergency levies. The next distribution would cover the cost of fixed rate levies from 2002 through 2006, after which time, a phase out formula would begin.

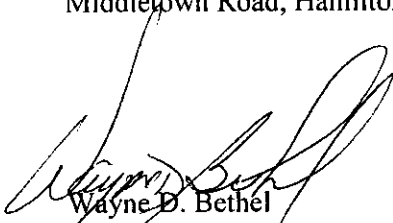
Since there is no historical data on PTRF collections, distributions, or a definitive study by a school district on the impact of the assessed value reductions, beginning in 2001, the impact on lower property taxes or the amount of additional PTRF revenue from the State of Ohio cannot be estimated. All guarantees of reimbursement from the PTRF will expire by the year 2016, with the exception of debt levies.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2002**  
**Unaudited**

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**REQUESTS FOR ADDITIONAL INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer's office at the Butler County Joint Vocational School District, 3603 Hamilton-Middletown Road, Hamilton, OH, 45011.



Wayne D. Bethel  
Treasurer  
October 18, 2002

# BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO

## Statement of Net Assets

June 30, 2002

	Governmental Activities	Business- Type Activities	Total
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 21,021,907	1,089,789	22,111,696
Receivables:			
Taxes	10,214,137	-	10,214,137
Accounts	-	49,453	49,453
Intergovernmental	10,364	-	10,364
Interest	207,167	-	207,167
Prepaid items	17,429	-	17,429
Internal balances	18,299	(18,299)	-
Restricted assets	467,953	-	467,953
Nondepreciable capital assets	509,672	-	509,672
Depreciable capital assets, net	<u>17,248,427</u>	<u>135,389</u>	<u>17,383,816</u>
<b>Total assets</b>	<u>49,715,355</u>	<u>1,256,332</u>	<u>50,971,687</u>
<b>Liabilities:</b>			
Accounts payable	311,966	36,759	348,725
Accrued wages	1,399,747	139,825	1,539,572
Deferred revenue	9,741,137	-	9,741,137
Accrued interest payable	29,400	-	29,400
Noncurrent liabilities:			
Due within one year	1,792,920	-	1,792,920
Due within more than one year	<u>4,134,974</u>	<u>89,799</u>	<u>4,224,773</u>
<b>Total liabilities</b>	<u>17,410,144</u>	<u>266,383</u>	<u>17,676,527</u>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	12,647,995	135,389	12,783,384
Restricted for:			
Capital projects	7,722,845	-	7,722,845
Other purposes	56,364	-	56,364
Unrestricted	<u>11,878,007</u>	<u>854,560</u>	<u>12,732,567</u>
<b>Total net assets</b>	<u>\$ 32,305,211</u>	<u>989,949</u>	<u>33,295,160</u>

See accompanying notes to the basic financial statements.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Statement of Activities  
Year Ended June 30, 2002

	Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions
<b>Governmental Activities:</b>			
Current:			
Instruction:			
Regular	\$ 269,775	-	-
Vocational education	9,641,652	58,820	575,220
Special education	77,509	-	20,000
Support services:			
Pupil	539,492	-	145,347
Instructional staff	543,890	-	-
General administration	108,017	-	-
School administration	998,374	-	-
Fiscal	566,909	-	-
Business	33,186	-	-
Operation and maintenance of plant	1,266,864	-	-
Pupil transportation	66,090	-	-
Central	639,936	-	4,470
Non-instructional services:			
Extracurricular activities	75,373	-	-
Community service	11,719	-	-
Debt service:			
Interest and fiscal charges	238,361	-	-
<b>Total Governmental Activities</b>	<u>15,077,147</u>	<u>58,820</u>	<u>745,037</u>
<b>Business-Type Activities:</b>			
Food Service	202,356	142,002	-
Uniform School Supplies	17,198	18,952	-
Adult Education	2,731,344	2,058,224	897,072
Rotary	458,871	299,205	-
<b>Total Business-Type Activities</b>	<u>3,409,769</u>	<u>2,518,383</u>	<u>897,072</u>
	<u>\$ 18,486,916</u>	<u>2,577,203</u>	<u>1,642,109</u>

**General Revenues:**

Property taxes levied for general purposes  
 Property taxes levied for debt service  
 Grants and entitlements not restricted  
 to specific programs  
 Investment earnings  
 Miscellaneous  
 Transfers  
 Total general revenues and transfers  
  
 Change in net assets  
  
 Net assets beginning of year  
 Net assets end of year

See accompanying notes to the basic financial statements.



Net (Expense) Revenue and  
Changes in Net Assets

	Governmental Activities	Business-Type Activities	Total
\$	(269,775)	-	(269,775)
	(9,007,612)	-	(9,007,612)
	(57,509)	-	(57,509)
	(394,145)	-	(394,145)
	(543,890)	-	(543,890)
	(108,017)	-	(108,017)
	(998,374)	-	(998,374)
	(566,909)	-	(566,909)
	(33,186)	-	(33,186)
	(1,266,864)	-	(1,266,864)
	(66,090)	-	(66,090)
	(635,466)	-	(635,466)
	(75,373)	-	(75,373)
	(11,719)	-	(11,719)
	<u>(238,361)</u>	-	<u>(238,361)</u>
	<u>(14,273,290)</u>	-	<u>(14,273,290)</u>
	-	(60,354)	(60,354)
	-	1,754	1,754
	-	223,952	223,952
	-	<u>(159,666)</u>	<u>(159,666)</u>
	-	<u>5,686</u>	<u>5,686</u>
	<u>(14,273,290)</u>	<u>5,686</u>	<u>(14,267,604)</u>
	5,652,626	-	5,652,626
	2,552,452	-	2,552,452
	9,664,383	-	9,664,383
	1,127,189	84	1,127,273
	174,207	-	174,207
	<u>(282,500)</u>	<u>282,500</u>	-
	<u>18,888,357</u>	<u>282,584</u>	<u>19,170,941</u>
	4,615,067	288,270	4,903,337
	<u>27,690,144</u>	<u>701,679</u>	<u>28,391,823</u>
\$	<u><u>32,305,211</u></u>	<u><u>989,949</u></u>	<u><u>33,295,160</u></u>

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Balance Sheet  
 Governmental Funds  
 June 30, 2002

	General	Debt Service	Permanent Improvement Fund	Building Fund	Other Governmental Funds
<b>Assets:</b>					
Cash and equity in pooled cash and investments	\$ 12,959,781	-	4,205,913	3,563,636	292,577
Restricted cash, deposits and investments	467,953	-	-	-	-
Receivables:					
Taxes	7,661,685	2,552,452	-	-	-
Accrued interest	206,656	-	511	-	-
Intergovernmental	-	-	-	-	10,364
Interfund receivable	77,757	-	-	-	-
Prepaid items	17,429	-	-	-	-
<b>Total assets</b>	<u>21,391,261</u>	<u>2,552,452</u>	<u>4,206,424</u>	<u>3,563,636</u>	<u>302,941</u>
<b>Liabilities:</b>					
Accounts payable	254,140	-	-	47,215	10,611
Accrued wages and benefits	1,342,125	-	-	-	57,622
Interfund payable	-	-	-	-	59,458
Compensated absences payable	-	-	-	-	24,449
Deferred revenue	7,288,045	2,552,452	-	-	-
<b>Total liabilities</b>	<u>8,884,310</u>	<u>2,552,452</u>	<u>-</u>	<u>47,215</u>	<u>152,140</u>
<b>Fund Balances:</b>					
Reserved for:					
Encumbrances	676,990	-	-	-	13,465
Prepaid items	17,429	-	-	-	-
Budget stabilization	467,953	-	-	-	-
Property taxes	473,000	-	-	-	-
Unreserved, reported in:					
General Fund	10,871,579	-	-	-	-
Special Revenue Funds	-	-	-	-	137,336
Capital Projects Funds	-	-	4,206,424	3,516,421	-
<b>Total fund balances</b>	<u>12,506,951</u>	<u>-</u>	<u>4,206,424</u>	<u>3,516,421</u>	<u>150,801</u>
<b>Total liabilities and fund balances</b>	<u>\$ 21,391,261</u>	<u>2,552,452</u>	<u>4,206,424</u>	<u>3,563,636</u>	<u>302,941</u>

See accompanying notes to the basic financial statements.

Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities  
June 30, 2002

	<b>Total Governmental Fund Balances</b>	<b>\$ 20,380,597</b>
<b>Total Governmental Funds</b>		
	Amounts reported for governmental activities in the statement of net assets are different because:	
21,021,907		
467,953	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	17,758,099
10,214,137		
207,167	Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the funds.	99,360
10,364		
77,757	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
17,429		
32,016,714		
	General obligation bonds	3,595,000
	Notes payable	1,494,644
311,966	Capital leases payable	20,460
1,399,747	Compensated absences	793,341
59,458	Accrued interest payable	29,400
24,449		
9,840,497	Total	(5,932,845)
11,636,117		
	<b>Net Assets of Governmental Activities</b>	<b>\$ <u>32,305,211</u></b>
690,455		
17,429		
467,953		
473,000		
10,871,579		
137,336		
7,722,845		
20,380,597		
32,016,714		

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2002

	General	Debt Service	Permanent Improvement Fund	Building Fund	Other Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 5,652,626	2,552,452	-	-	-
Tuition and fees	-	-	-	-	58,820
Interest	992,430	-	33,968	1,179	252
Intergovernmental	9,664,383	-	-	-	745,037
Miscellaneous	70,378	-	64,511	-	23,581
<b>Total revenues</b>	<u>16,379,817</u>	<u>2,552,452</u>	<u>98,479</u>	<u>1,179</u>	<u>827,690</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	266,537	-	-	-	383
Vocational education	9,441,097	-	15,200	-	419,633
Special education	-	-	-	-	62,259
Support services:					
Pupil	191,142	-	-	-	342,041
Instructional staff	493,305	-	-	-	9,673
General administration	99,638	-	-	-	-
School administration	1,063,864	-	-	-	30,752
Fiscal	522,429	-	-	-	-
Business	33,174	-	-	-	-
Operation and maintenance of plant	1,266,756	-	-	-	-
Pupil transportation	66,081	-	-	-	-
Central	511,976	-	-	-	235,329
Non-instructional services:					
Extracurricular	74,247	-	-	-	1,126
Community service	11,719	-	-	-	-
Capital outlay	2,317,934	-	-	479,687	-
Debt Service:					
Principal	41,394	2,347,327	-	-	-
Interest and fiscal charges	3,836	205,125	-	-	-
<b>Total expenditures</b>	<u>16,405,129</u>	<u>2,552,452</u>	<u>15,200</u>	<u>479,687</u>	<u>1,101,196</u>
Excess of revenues over (under) expenditures	<u>(25,312)</u>	<u>-</u>	<u>83,279</u>	<u>(478,508)</u>	<u>(273,506)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	507,500	3,875,000	274,558
Transfers out	(4,939,558)	-	-	-	-
Sale of capital assets	15,737	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(4,923,821)</u>	<u>-</u>	<u>507,500</u>	<u>3,875,000</u>	<u>274,558</u>
Net change in fund balances	(4,949,133)	-	590,779	3,396,492	1,052
Fund balance, beginning of year	<u>17,456,084</u>	<u>-</u>	<u>3,615,645</u>	<u>119,929</u>	<u>149,749</u>
Fund balance, end of year	\$ <u>12,506,951</u>	<u>-</u>	<u>4,206,424</u>	<u>3,516,421</u>	<u>150,801</u>

See accompanying notes to the basic financial statements.

Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
June 30, 2002

<table border="0" style="width: 100%;"> <tr> <td style="text-align: right;">Total Governmental Funds</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;">8,205,078</td> <td></td> </tr> <tr> <td style="text-align: right;">58,820</td> <td></td> </tr> <tr> <td style="text-align: right;">1,027,829</td> <td></td> </tr> <tr> <td style="text-align: right;">10,409,420</td> <td></td> </tr> <tr> <td style="text-align: right;">158,470</td> <td></td> </tr> <tr> <td style="text-align: right;"><u>19,859,617</u></td> <td></td> </tr> <tr> <td style="text-align: right;">266,920</td> <td></td> </tr> <tr> <td style="text-align: right;">9,875,930</td> <td></td> </tr> <tr> <td style="text-align: right;">62,259</td> <td></td> </tr> <tr> <td style="text-align: right;">533,183</td> <td></td> </tr> <tr> <td style="text-align: right;">502,978</td> <td></td> </tr> <tr> <td style="text-align: right;">99,638</td> <td></td> </tr> <tr> <td style="text-align: right;">1,094,616</td> <td></td> </tr> <tr> <td style="text-align: right;">522,429</td> <td></td> </tr> <tr> <td style="text-align: right;">33,174</td> <td></td> </tr> <tr> <td style="text-align: right;">1,266,756</td> <td></td> </tr> <tr> <td style="text-align: right;">66,081</td> <td></td> </tr> <tr> <td style="text-align: right;">747,305</td> <td></td> </tr> <tr> <td style="text-align: right;">75,373</td> <td></td> </tr> <tr> <td style="text-align: right;">11,719</td> <td></td> </tr> <tr> <td style="text-align: right;">2,797,621</td> <td></td> </tr> <tr> <td style="text-align: right;">2,388,721</td> <td></td> </tr> <tr> <td style="text-align: right;">208,961</td> <td></td> </tr> <tr> <td style="text-align: right;"><u>20,553,664</u></td> <td></td> </tr> <tr> <td style="text-align: right;"><u>(694,047)</u></td> <td></td> </tr> <tr> <td style="text-align: right;">4,657,058</td> <td></td> </tr> <tr> <td style="text-align: right;">(4,939,558)</td> <td></td> </tr> <tr> <td style="text-align: right;">15,737</td> <td></td> </tr> <tr> <td style="text-align: right;"><u>(266,763)</u></td> <td></td> </tr> <tr> <td style="text-align: right;">(960,810)</td> <td></td> </tr> <tr> <td style="text-align: right;"><u>21,341,407</u></td> <td></td> </tr> <tr> <td style="text-align: right;"><u>20,380,597</u></td> <td></td> </tr> </table>	Total Governmental Funds		8,205,078		58,820		1,027,829		10,409,420		158,470		<u>19,859,617</u>		266,920		9,875,930		62,259		533,183		502,978		99,638		1,094,616		522,429		33,174		1,266,756		66,081		747,305		75,373		11,719		2,797,621		2,388,721		208,961		<u>20,553,664</u>		<u>(694,047)</u>		4,657,058		(4,939,558)		15,737		<u>(266,763)</u>		(960,810)		<u>21,341,407</u>		<u>20,380,597</u>		<p><b>Net Change in Fund Balances - Total Governmental Funds</b>      \$      (960,810)</p> <p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>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. This is the amount by which capital outlays exceeded depreciation in the current period. <span style="float: right;">3,104,114</span></p> <p>Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. <span style="float: right;">2,347,327</span></p> <p>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. <span style="float: right;">(29,400)</span></p> <p>Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. <span style="float: right;">13,082</span></p> <p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. <span style="float: right;">99,360</span></p> <p>Repayment of capital lease principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net assets. <span style="float: right;"><u>41,394</u></span></p> <p><b>Change in Net Assets of Governmental Activities</b>      \$      <u><b>4,615,067</b></u></p>	
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## BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO

### Statement of Net Assets

#### Proprietary Funds

June 30, 2002

		Adult Education Fund	Non-major Enterprise Funds	Total
<b>Assets:</b>				
Current assets:				
Equity in pooled cash and investments	\$	837,998	251,791	1,089,789
Receivables:				
Accounts		48,259	1,194	49,453
Total current assets		886,257	252,985	1,139,242
Noncurrent assets:				
Capital assets, net		135,389	-	135,389
<b>Total assets</b>		<b>1,021,646</b>	<b>252,985</b>	<b>1,274,631</b>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable		6,297	30,462	36,759
Accrued wages		130,988	8,837	139,825
Interfund payable		-	18,299	18,299
Total current liabilities		137,285	57,598	194,883
Noncurrent liabilities:				
Compensated absences		89,799	-	89,799
<b>Total liabilities</b>		<b>227,084</b>	<b>57,598</b>	<b>284,682</b>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt		135,389	-	135,389
Unrestricted		659,173	195,387	854,560
<b>Total net assets</b>	\$	<b>794,562</b>	<b>195,387</b>	<b>989,949</b>

See accompanying notes to the basic financial statements.

## BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO

### Statement of Revenues, Expenses and Changes in Fund Net Assets

#### Proprietary Funds

Year Ended June 30, 2002

	<u>Adult Education Fund</u>	<u>Non-major Enterprise Funds</u>	<u>Total</u>
<b>Operating revenues:</b>			
Charges for services	\$ 2,005,008	170,992	2,176,000
Other operating revenues	<u>53,216</u>	<u>289,167</u>	<u>342,383</u>
<b>Total operating revenues</b>	<u>2,058,224</u>	<u>460,159</u>	<u>2,518,383</u>
<b>Operating expenses:</b>			
Salaries and wages	1,538,563	111,424	1,649,987
Fringe benefits	345,666	46,109	391,775
Contractual services	134,005	207,554	341,559
Materials and supplies	398,041	147,207	545,248
Depreciation	20,630	-	20,630
Other expenses	<u>294,439</u>	<u>166,131</u>	<u>460,570</u>
<b>Total operating expenses</b>	<u>2,731,344</u>	<u>678,425</u>	<u>3,409,769</u>
Operating loss	(673,120)	(218,266)	(891,386)
<b>Nonoperating revenues:</b>			
Operating grants	897,072	-	897,072
Interest income	<u>-</u>	<u>84</u>	<u>84</u>
<b>Total nonoperating revenues</b>	<u>897,072</u>	<u>84</u>	<u>897,156</u>
Net income (loss) before transfers	223,952	(218,182)	5,770
Transfers in	-	290,000	290,000
Transfers out	<u>(7,500)</u>	<u>-</u>	<u>(7,500)</u>
Net income	216,452	71,818	288,270
Net assets, beginning of year	<u>578,110</u>	<u>123,569</u>	<u>701,679</u>
Net assets, end of year	<u>\$ 794,562</u>	<u>195,387</u>	<u>989,949</u>

See accompanying notes to the basic financial statements.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2002

	Adult Education Fund	Non-major Enterprise Funds	Total
	<u>        </u>	<u>        </u>	<u>        </u>
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 2,005,588	169,798	2,175,386
Cash received from other operating sources	53,216	289,167	342,383
Cash payments for personal services	(1,848,315)	(145,935)	(1,994,250)
Cash payments for contract services	(183,933)	(189,332)	(373,265)
Cash payments for supplies and materials	(398,041)	(147,275)	(545,316)
Cash payments for other expenses	(294,439)	(166,131)	(460,570)
Net cash used by operating activities	<u>(665,924)</u>	<u>(189,708)</u>	<u>(855,632)</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers	(7,500)	290,000	282,500
Interfund loans	-	18,299	18,299
Cash received from operating grants	<u>897,072</u>	<u>1,261</u>	<u>898,333</u>
Net cash provided by noncapital financing activities	<u>889,572</u>	<u>309,560</u>	<u>1,199,132</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition of capital assets	<u>(6,990)</u>	<u>-</u>	<u>(6,990)</u>
<b>Cash flows from investing activities:</b>			
Investment income	<u>-</u>	<u>87</u>	<u>87</u>
Net increase in cash and cash equivalents	216,658	119,939	336,597
Cash and cash equivalents at beginning of year	<u>621,340</u>	<u>131,852</u>	<u>753,192</u>
Cash and cash equivalents at end of year	\$ <u>837,998</u>	<u>251,791</u>	<u>1,089,789</u>
 <b>Reconciliation of operating loss to net cash used by operating activities:</b>			
Operating loss	\$ (673,120)	(218,266)	(891,386)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	20,630	-	20,630
Changes in assets and liabilities:			
Accounts receivable	580	(1,194)	(614)
Accounts payable	(43,631)	27,964	(15,667)
Accrued wages and benefits	46,865	1,788	48,653
Compensated absences payable	<u>(17,248)</u>	<u>-</u>	<u>(17,248)</u>
Net cash used by operating activities	\$ <u>(665,924)</u>	<u>(189,708)</u>	<u>(855,632)</u>

See accompanying notes to the basic financial statements.



**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Statement of Net Assets

Fiduciary Funds

June 30, 2002

		Private Purpose Trusts	Agency Funds	Total
<b>ASSETS</b>				
Equity in pooled cash and investments	\$	<u>93,865</u>	<u>2,339,338</u>	<u>2,433,203</u>
Total assets		<u>93,865</u>	<u>2,339,338</u>	<u>2,433,203</u>
 <b>LIABILITIES</b>				
Due to student groups		-	75,862	75,862
Due to other governments		-	<u>2,263,476</u>	<u>2,263,476</u>
Total liabilities		-	<u>2,339,338</u>	<u>2,339,338</u>
 <b>NET ASSETS</b>				
Held in trust	\$	<u>93,865</u>	<u>-</u>	<u>93,865</u>

See accompanying notes to the basic financial statements.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Statement of Changes in Fiduciary Net Assets

Fiduciary Funds

Year Ended June 30, 2002

	<u>Private- Purpose Trust Fund</u>
<b>Additions:</b>	
Interest	\$ 394
Contributions	<u>750</u>
Total additions	<u>1,144</u>
<b>Deductions:</b>	
Benefits	<u>9,030</u>
Total deductions	<u>9,030</u>
Change in net assets	(7,886)
Net assets, beginning of year	<u>101,751</u>
Net assets, end of year	\$ <u><u>93,865</u></u>

See accompanying notes to the basic financial statements.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2002**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The School District is a joint vocational school district organized under Section 3311.18 of the Ohio Revised Code. The School District provides vocational education for nine school districts serving an eligible student population of approximately 4,200 throughout southwestern Ohio. The District fosters cooperative relationships with business and industry, professional organizations, participating school districts, and other interested, concerned groups and organizations to consider, plan and implement educational programs designed to meet the common needs and interests of students.

The reporting entity is comprised of the primary government. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from 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 serves as fiscal agent for legally separate Southwest Ohio Computer Association (SWOCA) but is not financially accountable. Therefore, SWOCA has been included in the School District's financial statements as an agency fund. See Note 14.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2002**

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**B. Fund Accounting**

The School District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the School District are grouped into the categories governmental, proprietary and fiduciary.

*Governmental funds* focus 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 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.

*Debt Service Fund* - Used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

*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.

*Building Fund* - The building fund is used to account for all transactions related to the construction of a new building and significant building renovations.

*Proprietary funds* are used to account for the School District's ongoing activities that are similar to those found in the private sector where the intent of the governing body is that the cost of providing goods and services to the general public be financed or recovered primarily through user charges. The School District has one major proprietary fund:

*Adult Education Fund* - Accounts for revenues and expenditures involved in upgrading and retraining out-of-school youth and adults for the purpose of improving their skills and knowledge in their current or planned occupation.

*Fiduciary Funds* report on net assets and changes in net assets. The School District's fiduciary funds consist of private-purpose trust funds and agency funds. The School District's only private-purpose trust fund accounts for scholarship programs for students. These assets are not available for the School District's use. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2002**

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**C. Basis of Presentation**

***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 distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus, which differs from the manner in which the governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the School District and for each 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 identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of 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 business segment or governmental function is self-financing or draws from the general revenues of the School District.

***Fund Financial Statements*** Fund financial statements report detailed information about the School District. The focus of governmental and proprietary financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

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

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total assets.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2002**

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Operating revenues and expenses generally result from providing services and producing and delivering services in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**D. Basis of Accounting**

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

The modified accrual basis of accounting is used by the governmental funds and agency funds. On a modified accrual basis, revenues are recorded when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after fiscal year end. Under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, interest, tuition, student fees, and grants.

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 except for unmatured principal and interest on general long-term debt which is recognized when due. Allocations of cost, such as depreciation, are not recognized in the governmental funds.

Government-wide financial statements are prepared using the accrual basis of accounting. Also, proprietary funds and the private-purpose trust fund utilize accrual accounting. Revenues are recognized when earned and expenses are recognized when incurred.

***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.

Non-exchange transactions, in which the School District receives value without directly giving 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 were levied. 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.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2002**

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*Deferred Revenue* Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2002 which are intended to finance fiscal year 2003 operations, and delinquent property taxes whose availability is indeterminable, have been 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.

**E. Budgetary Process**

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

All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education. However, for the purpose of additional analysis, the budgetary financial statements have been presented at the function level.

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

*Estimated Resources* Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2002.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2002**

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*Appropriations* Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at the level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. The budget figures, which appear in the statements of budgetary comparisons, represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions. The Board passed supplemental appropriations during the fiscal year.

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

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

**F. Cash and Cash Equivalents**

To improve cash management, all cash received by the School District is pooled in a central bank account. Monies for all funds are maintained in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the balance sheet. During 2002, investments were limited to commercial paper, repurchase agreements, mutual funds and federal agency securities.

The Governmental Accounting Standards Board Statement No. 31 (GASB 31), "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", requires that investments, with certain exceptions, be recorded at their fair value and that changes in the fair value be reported in the operating statement. The School District recorded investments, other than repurchase agreements, held at June 30, 2002 at the fair value. Repurchase agreements are reported at cost.



**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2002**

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Under existing Ohio statutes, all investment earnings accrue to the general fund except those specifically related to agency funds, certain trust funds, and those other funds individually authorized by Board resolution. Interest earnings are allocated to these funds based on average monthly cash balance.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, 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 considered to be cash equivalents.

**G. Prepaid Items**

Payments made to vendors that will benefit periods beyond June 30, 2002, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**H. Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type columns in the government-wide financial statements. The School District defines capital assets as those with an individual cost of more than \$1,000 and an estimated useful life in excess of one year. All capital assets are capitalized at cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at their estimated fair values as of the date received. 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.

When capital assets are purchased, they are capitalized and depreciated in the government-wide statements and the proprietary fund statements. Capital assets are reported as expenditures of the current period in the governmental fund financial statements.

All reported capital assets except land are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Buildings	40 years
Building improvements	20 years
Equipment and furniture other than vehicles	3-10 years
Vehicles	10 years

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2002**

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**I. Interfund Balances**

On fund financials, receivables and payables resulting from short-term interfund loans are classified as "interfund receivable/payable." These amounts are eliminated in the governmental activities column of the statement of net assets.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

**J. Compensated Absences**

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

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

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, a liability is recorded only for the portion of unpaid compensated absences that is expected to be paid using current available expendable financial resources.

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

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

Governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources with the exception of compensated absences as noted above.

**L. Fund Balance Reserves**

The School District records reservations for portions of fund equity that are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balances indicates that portion of fund equity that is available for appropriation in future periods. Fund equity reserves are established for encumbrances, property taxes, prepaids, and budget reserve set-asides.

## **BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

### **Notes to the Basic Financial Statements**

**Year Ended June 30, 2002**

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The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statutes. The reserve for budget stabilization represents money set-aside to protect against cyclical changes in revenues and expenditures.

#### **M. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. A corresponding fund balance reserve has also been established.

#### **N. 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.

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

#### **O. Estimates**

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

## **2. CHANGE IN ACCOUNTING PRINCIPLES**

For fiscal year 2002, the School District implemented the following:

- GASB Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments.*
- GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments: Omnibus.*
- GASB Statement No. 38, *Certain Financial Statement Note Disclosures.*
- GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units.*
- GASB Interpretation No. 6, *Recognition and Measurements of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.*

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2002**

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GASB 34 creates new basic financial statements for reporting on the School District's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. The government-wide financial statements split the School District's programs between business-type and governmental activities. The beginning net asset amount for governmental programs reflects the change in fund balance at June 30, 2001 caused by the conversion to the accrual basis of accounting.

Fund balance - all governmental funds - June 30, 2001           \$       21,341,407

GASB 34 adjustments:

Capital assets		14,653,985
Long-term liabilities		<u>(8,305,248)</u>

Governmental activities net assets - June 30, 2001           \$       27,690,144

In addition, proprietary fund net assets have been restated for the change in capitalization threshold for capital assets:

		Adult Education	Nonmajor Enterprise Funds
Net assets as of June 30, 2001	\$	634,830	268,601
Change in capitalization policy		<u>(56,720)</u>	<u>(145,032)</u>
Net assets as of June 30, 2001, restated	\$	<u>578,110</u>	<u>123,569</u>

**3. FUND BALANCE DEFICITS**

At June 30, 2002, the following special revenue funds had deficit fund balances:

Career Development Fund	\$	14,296
Post Secondary Vocational Education Fund		1,679
Vocational Education Fund		98,732
Title VI Chapter II Fund	\$	1,141

In addition the Food Services Fund had deficit net assets of \$14,575. The deficits were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2002**

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**4. DEPOSITS AND INVESTMENTS**

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies that 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 pass book accounts. Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, or by a single collateral pool established by the financial institution to secure the repayment of all public monies on deposit.

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

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by the federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

**Notes to the Basic Financial Statements**

**Year Ended June 30, 2002**

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4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio); and,
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

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

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Deposits: At year-end, the carrying amount of the School District's deposits was (\$788,778) and the bank balance was \$29,457 which was covered by federal depository insurance.

Investments: The School District's investments are categorized below to give an indication of the level of risk assumed by the School District at year-end. Category 1 includes investments that are insured or registered or for which the School District or its agent in the School District's name holds the securities. Category 2 includes uninsured and unregistered investments, which are held by the counter party's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter party, or by its trust department or agent but not in the School District's name. The School District's investment in the U.S. Money Market Fund is unclassified because it is not evidenced by securities that exist in physical or book entry form.

		<u>Category 2</u>	<u>Category 3</u>	<u>Carrying Value</u>
Repurchase agreement	\$	-	3,893,371	3,893,371
U.S. Money Market Fund		-	-	577
U.S. Agency securities		<u>21,907,677</u>	-	<u>21,907,677</u>
GASB Statement No. 3	\$	<u>21,907,677</u>	<u>3,893,371</u>	<u>25,801,625</u>

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2002**

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**5. PROPERTY TAXES**

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

Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The School District receives property taxes from Butler County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2002, are available to finance fiscal year 2002 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes that became measurable as of June 30, 2002. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2002, was \$473,000 in the General Fund.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2002**

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The assessed values upon which fiscal year 2002 taxes were collected are:

	<u>2001 Second- Half Collections</u>		<u>2002 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 4,294,058,670	81.98%	4,437,595,390	83.63%
Public Utility	340,235,770	6.50%	221,441,000	4.17%
Tangible Personal Property	<u>603,873,150</u>	11.52%	<u>647,381,596</u>	12.20%
Total Assessed Value	\$ <u>5,238,167,590</u>	100.00%	<u>5,306,417,986</u>	100.00%
Tax rate per \$1,000 of assessed valuation		\$1.93		\$1.93

**6. INTERFUND TRANSACTIONS**

On the fund financial statements, the General Fund has a receivable of \$77,757 that consists of amounts due from non-major governmental and enterprise funds. These interfund loans were made to provide operating capital. Interfund transfers for the year ended June 30, 2002, consisted of the following:

<b>Transfer to:</b>	<b>From:</b>		
	<u>General Fund</u>	<u>Adult Education Fund</u>	<u>Total</u>
Permanent Improvement Fund	\$ 507,500	-	507,500
Building Fund	3,875,000	-	3,875,000
Non-major Governmental Funds	274,558	-	274,558
Non-major Enterprise Funds	290,000	7,500	297,500
Total	\$ <u>4,947,058</u>	<u>7,500</u>	<u>4,954,558</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.



**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2002**

**7. CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2002 was as follows:

	Balance 7/1/01	Additions	Disposals	Balance 6/30/02
<b>Governmental Activities</b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 509,672	-	-	509,672
<i>Capital assets being depreciated:</i>				
Buildings	13,726,006	1,558,340	-	15,284,346
Building improvements	1,612,657	1,239,281	-	2,851,938
Furniture and equipment	3,944,757	1,076,633	(536,758)	4,484,632
Vehicles	343,646	226,311	(50,639)	519,318
Subtotal	<u>19,627,066</u>	<u>4,100,565</u>	<u>(587,397)</u>	<u>23,140,234</u>
Totals at historical cost	<u>20,136,738</u>	<u>4,100,565</u>	<u>(587,397)</u>	<u>23,649,906</u>
Less accumulated depreciation:				
Buildings	3,226,363	382,109	-	3,608,472
Building improvements	58,517	142,597	-	201,114
Furniture and equipment	2,079,753	425,505	(536,758)	1,968,500
Vehicles	118,120	46,240	(50,639)	113,721
Total accumulated depreciation	<u>5,482,753</u>	<u>996,451</u>	<u>(587,397)</u>	<u>5,891,807</u>
Capital assets, net	<u>\$ 14,653,985</u>	<u>3,104,114</u>	<u>-</u>	<u>17,758,099</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Vocational	\$ 513,416
Adult/continuing	2,545
Support services:	
Pupil	5,923
Instructional staff	40,365
General administration	8,379
School administration	163,350
Fiscal	44,282
Central	218,191
Total depreciation expense	<u>\$ 996,451</u>

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2002**

	Balance 7/1/01	Additions	Disposals	Balance 6/30/02
<b><i>Business-type Activities:</i></b>				
Furniture and equipment	\$ 205,865	6,990	-	212,855
Less accumulated depreciation	56,836	20,630	-	77,466
Capital assets, net	\$ 149,029	(13,640)	-	135,389

Depreciation expense of \$20,630 was charged to the adult education segment.

**8. RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In August 1985, the School District joined together with ten other school districts in Butler County to form the Butler County Health Plan (BCHP), a public entity risk pool currently operating as a common risk management and insurance program. The School District pays an annual premium to the pool for its general insurance coverage. The risk of loss transfers entirely from the School District to BCHP. The Agreement for Formation of BCHP provides that BCHP will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$125,000 pooling level each year. Settled claims have not exceeded this commercial coverage in any of the past three years.

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

The School District participates in the Butler County Health Trust (the Trust), a group insurance purchasing pool, in order to provide dental, life, medical, and disability benefits to employees, their dependents and designated beneficiaries and to set aside funds for such purposes. The Trustee provides insurance policies in whole or in part through one or more group insurance policies.

**9. DEFINED BENEFIT PENSION PLANS**

**School Employees Retirement System**

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Chapter 3309 of the Ohio Revised Code establishes benefits. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to SERS, 300 East Broad Street, Columbus, Ohio 43215.

Plan members are required to contribute 9% of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts by the SERS's Retirement Board. The School District's required contributions to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were approximately \$255,000, \$237,000 and \$287,000, respectively. 100% of the required contributions have been made for all three years.

**State Teachers Retirement System**

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

Plan members are required to contribute 9.3% of their annual covered salary and the School District is required to contribute 14%. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The School District's required contributions to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were approximately \$1,242,000, \$1,097,000 and \$1,191,000, respectively. 100% of the required contributions have been made for all three years.

**Social Security System**

All employees not otherwise covered by SERS or STRS have an option to choose Social Security or SERS/STRS. As of June 30, 2002, some members of the Board of Education have elected Social Security. The Board's liability is 6.2% of wages paid.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2002**

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**10. POSTEMPLOYMENT BENEFITS**

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

STRS has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. For the year ended June 30, 2002, the board allocated employer contributions equal to 4.50% of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled approximately \$399,000 during fiscal year 2002. STRS pays health care benefits from the Health Care Reserve Fund. The balance in the fund was \$3.256 billion at June 30, 2001. For the year ended June 30, 2001, net health care costs paid by STRS were \$300.8 million and STRS had 102,132 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, disability, and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium. For this fiscal year, employer contributions to fund health care benefits were 9.80% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2002, the minimum pay has been established at \$12,400. The surcharge rate added to the unallocated portion of the 14% employer contribution rate provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care for the year ended June 30, 2001 were \$161.4 million and the target level was \$242.2 million. At June 30, 2001, SERS' net assets available for payment of health care benefits was \$315.7 million. SERS has approximately 50,000 participants currently receiving health care benefits. For the School District, this amount to fund health care benefits, including the surcharge, equaled approximately \$179,000 during the 2002 fiscal year.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2002**

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**11. EMPLOYEE BENEFITS**

**Compensated Absences**

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one fourth days per month. Sick leave may be accumulated up to maximum of 240 days for teachers, 225 days for classified staff and unlimited days for administrators. Upon retirement, payment is made for 25% of the employee's accumulated sick leave up to a maximum of 60 days for teachers and administrators, and 45 for classified employees.

**12. LONG-TERM LIABILITIES**

The changes in the School District's long-term liabilities during fiscal year 2002 were as follows:

	Principal Outstanding 7/1/01	Additions	Reductions	Principal Outstanding 6/30/02	Amounts Due in One Year
<b><i>Governmental Activities:</i></b>					
General obligation bonds:					
Energy Conservation	\$ 695,000	-	(100,000)	595,000	100,000
School Improvement	4,500,000	-	(1,500,000)	3,000,000	1,500,000
Note payable	2,241,971	-	(747,327)	1,494,644	172,460
Capital lease	61,854	-	(41,394)	20,460	20,460
Compensated absences	806,423	634,890	(623,523)	817,790	-
<b>Total</b>	<b>\$ 8,305,248</b>	<b>634,890</b>	<b>(3,012,244)</b>	<b>5,927,894</b>	<b>1,792,920</b>
<b><i>Business-type Activities:</i></b>					
Compensated absences	\$ 107,047	84,321	(101,569)	89,799	-

*Energy Conservation Bonds* - In August of 1998, the School District issued unvoted bonds in the amount of \$995,000 at an interest rate of 4.34% and a maturity of December 1, 2007. The proceeds of the bonds were used to implement building, equipment repair and improvements that provide energy savings. This project was approved by the Ohio Department of Education in accordance with House Bill 264.

*School Improvement Bonds* - In March of 2001, the School District issued unvoted bonds in the amount of \$4,500,000 at an interest rate of 3.60% and a maturity of December 1, 2003. The proceeds of the bonds were used to renovate and improve school buildings.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2002**

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*Notes Payable* – The School District borrowed \$2,586,891 from the Ohio Department of Education Division of Vocational Education for construction and renovation of facilities. The interest-free loan will be repaid in thirty equal semi-annual payments of \$86,230 with a maturity of January 1, 2014. The School District paid additional principal during the year ended June 30, 2002.

Principal and interest requirements to retire the Energy Conservation and School Improvement Bonds outstanding at June 30, 2002, are as follows:

Fiscal Year Ending June 30,		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$	1,600,000	137,025	1,737,025
2004		1,600,000	78,775	1,678,775
2005		100,000	17,475	117,475
2006		100,000	13,125	113,125
2007		100,000	8,725	108,725
2008		<u>95,000</u>	<u>4,275</u>	<u>99,275</u>
Total	\$	<u>3,595,000</u>	<u>259,400</u>	<u>3,854,400</u>

Principal and interest requirements to retire the long-term note payable outstanding at June 30, 2002, are as follows:

Fiscal Year Ending June 30,		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$	172,460	-	172,460
2004		172,460	-	172,460
2005		172,460	-	172,460
2006		172,460	-	172,460
2007		172,460	-	172,460
2008-2011		<u>632,344</u>	<u>-</u>	<u>632,344</u>
Total	\$	<u>1,494,644</u>	<u>-</u>	<u>1,494,644</u>

The School District's voted legal debt margin was \$477,577,619 with an unvoted debt margin of \$2,306,418 at June 30, 2002.

**13. CAPITALIZED LEASES**

The School District is obligated under certain leases accounted for as capital leases. Equipment under capital leases totaled \$283,230 at June 30, 2002. The future minimum lease payments under capital leases to be paid in fiscal year 2003 are \$20,988 of which \$528 represents interest. Thus, the net present value of future minimum lease payments as of June 30, 2002 is \$20,460.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2002**

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**14. JOINTLY GOVERNED ORGANIZATION**

*Southwestern Ohio Computer Association*

The Southwestern Ohio Computer Association (SWOCA), a jointly governed organization, was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the member schools of the three county consortium supports SWOCA based upon per pupil charge dependent upon the software package utilized. SWOCA is governed by a board of directors consisting of the superintendents and treasurers of member school districts. The degree of control exercised by any participating School District is limited to its representation on the Board. To obtain financial information, write to the Southwestern Ohio Computer Association, at 3603 Hamilton-Middletown, Hamilton, Ohio 45011.

**15. REQUIRED SET-ASIDES**

The School District is required by State Statute to annually set aside in the general fund an amount based on the statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years. The following cash basis information describes the change in the year-end set aside amounts for textbooks, capital acquisition, and budget stabilization. Disclosure of this information is required by State statute.

		Capital	Budget
	<u>Textbooks</u>	<u>Improvements</u>	<u>Stabilization</u>
Set-aside balance as of June 30, 2001	\$ (1,542,667)	-	467,953
Current year set-aside requirement	205,510	205,510	-
Less qualifying disbursements and offsets	<u>(2,151,273)</u>	<u>(571,862)</u>	<u>-</u>
Total	<u>(3,488,430)</u>	<u>(366,352)</u>	<u>467,953</u>
Balance carried to FY2003	<u>(3,488,430)</u>	<u>-</u>	<u>467,953</u>
Cash balance as of June 30, 2002	\$ <u>-</u>	<u>-</u>	<u>467,953</u>

Since the School District had offsets and qualifying disbursements during the year that reduced the set aside amount for textbooks and instructional materials to below zero, these extra amounts may be used to reduce the set aside requirements of future years. However, the excess qualifying disbursements of the capital improvement set-aside may not be used to reduce the capital improvement set aside requirements of future years. The Ohio General Assembly eliminated the requirement for the budget stabilization reserve and effective April 10, 2001, the Board of Education could choose to eliminate the reserve with the exception of rebates received from the Bureau of Workers Compensation. The School District chose not to reduce its budget stabilization reserve.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2002**

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**16. CONTINGENCIES**

**Grants**

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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, 2002.

**17. SCHOOL FUNDING DECISION**

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

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

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

The State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001. In November 2001, the Court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement.

On December 11, 2002, the Supreme Court found the state's school funding system unconstitutional but declined to retain jurisdiction of the matter meaning the decision included no timeline for compliance or accountability for lack of compliance.

The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.



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## REQUIRED SUPPLEMENTARY INFORMATION

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## BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2002

	<b>General Fund</b>			
	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
<b>Revenues:</b>				
Taxes	7,458,648	6,822,626	6,822,626	-
Interest	886,016	860,474	863,498	3,024
Intergovernmental	7,899,021	9,664,382	9,664,382	-
Miscellaneous	80,090	69,980	69,980	-
<b>Total revenues</b>	<b>16,323,775</b>	<b>17,417,462</b>	<b>17,420,486</b>	<b>3,024</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	240,439	266,467	266,467	-
Vocational	9,025,413	9,551,142	9,551,142	-
Support services:				
Pupil	259,820	197,105	197,105	-
Instructional staff	670,722	491,157	491,157	-
General administration	115,815	141,498	141,498	-
School administration	969,488	1,077,918	1,077,918	-
Fiscal	529,478	538,921	538,921	-
Business	31,169	33,174	33,174	-
Operation and maintenance of plant	890,795	1,398,935	1,398,935	-
Pupil transportation	9,580	66,710	66,710	-
Central	289,424	578,751	578,751	-
Non-instructional services:				
Extracurricular activities	50,000	78,778	78,778	-
Community services	11,500	11,719	11,719	-
Facilities acquisition and construction	2,021,461	2,946,923	2,946,923	-
<b>Total expenditures</b>	<b>15,115,104</b>	<b>17,379,198</b>	<b>17,379,198</b>	<b>-</b>
Excess of revenues over expenditures	1,208,671	38,264	41,288	3,024
<b>Other financing sources (uses)</b>				
Operating transfers out	(1,000,000)	(4,962,007)	(4,962,007)	-
Operating transfers in	-	22,847	22,847	-
Sale of general fixed assets	-	15,737	15,737	-
<b>Total other financing sources (uses)</b>	<b>(1,000,000)</b>	<b>(4,923,423)</b>	<b>(4,923,423)</b>	<b>-</b>
Excess of revenues and other sources over (under) expenditures and other uses	208,671	(4,885,159)	(4,882,135)	3,024
Fund balance - beginning of year	15,678,034	15,678,034	15,678,034	
Prior year carryover appropriations	1,734,255	1,734,255	1,734,255	
Fund balance - end of year	<b>17,620,960</b>	<b>12,527,130</b>	<b>12,530,154</b>	

See accompanying notes to required supplemental information.

# BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO

Notes to Required Supplementary Information  
Year Ended June 30, 2002

## Note A Budgetary Basis of Accounting

While the District is reporting financial position, results of operations, and changes in fund balances 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 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) 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 that:

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

Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).

The adjustments necessary to convert the results of operations for the year ended June 30, 2002, on the GAAP basis to the budget basis are as follows:

	<u>General Fund</u>
Net change in fund balance - GAAP Basis	\$ (4,949,133)
Increase / (decrease):	
Due to revenues	1,040,669
Due to expenditures	(42,939)
Due to encumbrances	<u>(931,130)</u>
Excess of revenues and other sources over (under) expenditures and other uses - Budget Basis	\$ <u>(4,882,533)</u>

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SUPPLEMENTAL SECTION  
COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

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# *Butler County Joint Vocational School District, Ohio*

## GENERAL FUND

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

## SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes. The following are descriptions of each Special Revenue Fund:

### **Non-major Special Revenue Funds:**

The **Public School Support Fund** accounts for specific local revenue sources generated by the individual school buildings. Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

The **Other Grant Fund** accounts for various state and local grants.

The **Termination Benefits Fund** accounts for the accumulation of resources and payments of employee severance.

The **Career Development Fund** accounts for state and federal grants which are provided to introduce various career opportunities to students.

The **Post Secondary Vocational Education Fund** accounts for revenue and expenditures incurred in providing opportunities for adults to acquire adequate employment skills.

The **Teacher Development Fund** accounts for state funded revenue and expenditures necessary for providing assistance to local school districts for the development of in-service programs.

The **Management Information Systems Fund** accounts for state funds provided to assist the District in implementing a staff, student, and financial reporting system as mandated by the Omnibus Education Reform Act of 1989.

## *Butler County Joint Vocational School District, Ohio*

### **Non-major Special Revenue Funds (continued):**

The **Schoolnet Professional Development Fund** accounts for state grants for the provision of hardware, software, telecommunications services, and staff development to support educational uses of technology in the classroom.

The **Tech Prep Fund** accounts for state grants for the enhancement of vocational education including recruiting and training of students as well as assisting students with career visions.

The **Miscellaneous State Grants Fund** accounts for various monies received from state agencies which are not classified elsewhere.

The **Education for Economic Security Act (EESA) Fund** accounts for federal funds used for strengthening instruction in science, mathematics, modern foreign languages, English, the arts and computer learning.

The **Vocational Education Fund** accounts for federal funds used in the development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, cooperative education, advisory committees, and work-study projects.

The **Chapter II Fund** accounts for federal funds supporting the implementation of programs such as computer education, gifted and talented programs, and staff development.

The **Miscellaneous Federal Grants Fund** accounts for various monies received through state agencies from the federal government or directly from the federal government that are not classified elsewhere.

## **DEBT SERVICE FUND**

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

## *Butler County Joint Vocational School District, Ohio*

### CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings, additions to existing school buildings, or for major renovation projects, including equipment purchases:

#### **Major Capital Projects Funds:**

The **Permanent Improvement Fund** accounts for all transactions related to the acquiring, constructing, or improving of the infrastructure of buildings and grounds through permanent improvements.

The **Building Fund** accounts for all transactions related to the construction of new buildings.

#### **Non-major Capital Projects Fund:**

The **Schoolnet Equipment Fund** accounts for state grants for technology for classrooms.

### ENTERPRISE FUNDS

Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private sector business where the intent is that the expense (including depreciation) of providing goods or services primarily or solely to the general public be financed or recovered primarily through user charges.

#### **Major Enterprise Fund:**

The **Vocational Adult Education Fund** accounts for revenue and expenditures involved in upgrading and retraining out-of-school youth and adults for the purpose of improving their skills and knowledge in their current or planned occupation.

#### **Non-major Enterprise Funds:**

The **Food Services Fund** accounts for the financial transactions related to the food service operation of the District.

The **Uniform School Supply Fund** accounts for the purchase and sale of school supplies as adopted by the Board of Education for use in the District.

The **Rotary Fund** accounts for income and expenses made in connection with goods and services provided by the District.



## PRIVATE-PURPOSE TRUST FUND

Private-purpose trust funds are used to report trust arrangements under which principal and income benefit individuals, private organizations or other governments.

The **Special Trust Fund** accounts for donations that are received to provide scholarships and awards to students.

## AGENCY FUNDS

Agency funds are used to account for assets held in a custodial capacity.

The **Southwest Ohio Computer Association Fund** accounts for the activity and resources of the Southwest Ohio Computer Association for which the District serves as the fiscal agent.

The **Student Activities Funds** account for the resources that belong to various student groups in the District. The funds account for sales and other revenue generating activities by student groups which have students involved in the management of the program.

The **District Agency Fund** accounts for assets held by the District as an agent for individuals, private organizations, other governmental units, and/or other funds.

# BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2002

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects SchoolNet Equipment</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets:</b>			
Cash and equity in pooled cash and investments	\$ 292,577	-	292,577
Receivables:			
Intergovernmental	10,364	-	10,364
<b>Total assets</b>	<u>302,941</u>	<u>-</u>	<u>302,941</u>
<b>Liabilities:</b>			
Accounts payable	10,611	-	10,611
Accrued wages and benefits	57,622	-	57,622
Compensated absences payable	24,449	-	24,449
Interfund loans payable	59,458	-	59,458
<b>Total liabilities</b>	<u>152,140</u>	<u>-</u>	<u>152,140</u>
<b>Fund Balances:</b>			
Reserved for:			
Encumbrances	13,465	-	13,465
Unreserved, reported in:			
Special Revenue Funds	137,336	-	137,336
Capital Projects Funds	-	-	-
<b>Total fund balances</b>	<u>150,801</u>	<u>-</u>	<u>150,801</u>
<b>Total liabilities and fund balances</b>	<u>\$ 302,941</u>	<u>-</u>	<u>302,941</u>

# BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2002

		Nonmajor Special Revenue Funds	Nonmajor Capital Projects SchoolNet Equipment	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Tuition and fees	\$	58,820	-	58,820
Interest		252	-	252
Intergovernmental		745,037	-	745,037
Miscellaneous		26,081	(2,500)	23,581
<b>Total revenues</b>		<u>830,190</u>	<u>(2,500)</u>	<u>827,690</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular		383	-	383
Vocational education		419,633	-	419,633
Other		62,259	-	62,259
<b>Support services:</b>				
Pupil		342,041	-	342,041
Instructional staff		9,673	-	9,673
School administration		30,752	-	30,752
Central		235,262	67	235,329
<b>Non-instructional services:</b>				
Extracurricular activities		1,126	-	1,126
<b>Total expenditures</b>		<u>1,101,129</u>	<u>67</u>	<u>1,101,196</u>
Excess of revenues over (under) expenditures		<u>(270,939)</u>	<u>(2,567)</u>	<u>(273,506)</u>
<b>Other financing sources (uses)</b>				
Operating transfers in		274,558	-	274,558
<b>Total other financing sources (uses)</b>		<u>274,558</u>	<u>-</u>	<u>274,558</u>
Net change in fund balances		3,619	(2,567)	1,052
Fund balance, beginning of year		<u>147,182</u>	<u>2,567</u>	<u>149,749</u>
Fund balance, end of year	\$	<u>150,801</u>	<u>-</u>	<u>150,801</u>

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2002

	<u>Public School Support</u>	<u>Other Grant</u>	<u>Termination Benefits</u>	<u>Career Development</u>	<u>Post Seconday Vocational Education</u>	<u>Teacher Development</u>
<b>Assets:</b>						
Equity in pooled cash and investments	\$ 84,287	10,150	123,564	-	8,279	6,544
Net receivables: Intergovernmental	-	-	-	-	-	-
<b>Total assets</b>	<u>84,287</u>	<u>10,150</u>	<u>123,564</u>	<u>-</u>	<u>8,279</u>	<u>6,544</u>
<b>Liabilities:</b>						
Accounts payable	-	-	-	428	9,958	-
Accrued wages and benefits	-	-	-	13,865	-	-
Compensated absences payable	-	-	24,449	-	-	-
Interfund loans payable	-	-	-	3	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>24,449</u>	<u>14,296</u>	<u>9,958</u>	<u>-</u>
<b>Fund Balances:</b>						
Fund Balances						
Reserved for:						
Encumbrances	-	1,995	-	-	8,279	-
Unreserved-undesignated	84,287	8,155	99,115	(14,296)	(9,958)	6,544
<b>Total fund balances</b>	<u>84,287</u>	<u>10,150</u>	<u>99,115</u>	<u>(14,296)</u>	<u>(1,679)</u>	<u>6,544</u>
<b>Total liabilities and fund balances</b>	\$ <u>84,287</u>	<u>10,150</u>	<u>123,564</u>	<u>-</u>	<u>8,279</u>	<u>6,544</u>

<u>Management Information Systems</u>	<u>One Net</u>	<u>SchoolNet Professional Development</u>	<u>Tech Prep Fund</u>	<u>Misc. State Grants</u>	<u>EESA</u>	<u>Vocational Education</u>	<u>Chapter II</u>	<u>Misc. Federal Grants</u>	<u>TOTAL</u>
-	3,500	3,450	-	51,544	1,259	-	-	-	292,577
-	-	-	-	6,800	-	3,564	-	-	10,364
-	3,500	3,450	-	58,344	1,259	3,564	-	-	302,941
-	-	-	-	-	-	-	225	-	10,611
-	-	-	-	-	-	43,757	-	-	57,622
-	-	-	-	-	-	-	-	-	24,449
-	-	-	-	-	-	58,539	916	-	59,458
-	-	-	-	-	-	102,296	1,141	-	152,140
-	-	-	-	166	-	2,730	295	-	13,465
-	3,500	3,450	-	58,178	1,259	(101,462)	(1,436)	-	137,336
-	3,500	3,450	-	58,344	1,259	(98,732)	(1,141)	-	150,801
-	3,500	3,450	-	58,344	1,259	3,564	-	-	302,941

## BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Nonmajor Special Revenue Funds  
Year Ended June 30, 2002

	<u>Public</u>	<u>Other</u>	<u>Termination</u>	<u>Career</u>	<u>Post</u>	<u>Teacher</u>
	<u>School</u>	<u>Grant</u>	<u>Benefits</u>	<u>Development</u>	<u>Secondary</u>	<u>Development</u>
	<u>Support</u>	<u>Grant</u>	<u>Benefits</u>	<u>Development</u>	<u>Vocational</u>	<u>Development</u>
	<u>Support</u>	<u>Grant</u>	<u>Benefits</u>	<u>Development</u>	<u>Education</u>	<u>Development</u>
<b>Revenues:</b>						
Tuition and fees	\$ -	-	-	-	-	-
Interest	-	-	252	-	-	-
Intergovernmental	-	-	-	135,664	20,000	-
Miscellaneous	<u>28,518</u>	<u>11,915</u>	<u>-</u>	<u>(1,160)</u>	<u>-</u>	<u>(8,214)</u>
<b>Total revenues</b>	<u>28,518</u>	<u>11,915</u>	<u>252</u>	<u>134,504</u>	<u>20,000</u>	<u>(8,214)</u>
<b>Expenditures:</b>						
Current:						
Instruction:						
Regular	-	-	-	-	-	-
Vocational Education	-	-	241,548	-	-	-
Other	-	-	-	-	-	-
Support services:						
Pupil	-	1,894	-	113,592	-	-
Instructional staff	-	-	-	-	-	-
School administration	-	-	-	-	-	-
Central	-	-	-	-	32,179	-
Non-instructional services:						
Extracurricular activities	<u>1,126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>1,126</u>	<u>1,894</u>	<u>241,548</u>	<u>113,592</u>	<u>32,179</u>	<u>-</u>
Excess of revenues over (under) expenditures	27,392	10,021	(241,296)	20,912	(12,179)	(8,214)
<b>Other financing sources (uses)</b>						
Operating transfers in	<u>-</u>	<u>-</u>	<u>235,000</u>	<u>17,058</u>	<u>10,500</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>235,000</u>	<u>17,058</u>	<u>10,500</u>	<u>-</u>
Net change in fund balances	27,392	10,021	(6,296)	37,970	(1,679)	(8,214)
Fund balance, beginning of year	<u>56,895</u>	<u>129</u>	<u>105,411</u>	<u>(52,266)</u>	<u>-</u>	<u>14,758</u>
Fund balance, end of year	\$ <u>84,287</u>	<u>10,150</u>	<u>99,115</u>	<u>(14,296)</u>	<u>(1,679)</u>	<u>6,544</u>

Management Information Systems	One Net	SchoolNet Professional Development	Tech Prep Fund	Misc. State Grants	EESA	Vocational Education	Chapter II	Misc. Federal Grants	<b><i>TOTAL</i></b>
-	-	-	-	-	-	58,820	-	-	58,820
-	-	-	-	-	-	-	-	-	252
6,192	3,500	5,592	-	6,800	3,491	560,406	2,422	970	745,037
-	-	-	(1,640)	-	(2,838)	-	-	(500)	26,081
<u>6,192</u>	<u>3,500</u>	<u>5,592</u>	<u>(1,640)</u>	<u>6,800</u>	<u>653</u>	<u>619,226</u>	<u>2,422</u>	<u>470</u>	<u>830,190</u>
-	-	-	-	-	383	-	-	-	383
-	-	7,142	-	156	-	167,224	3,563	-	419,633
-	-	-	-	-	-	62,259	-	-	62,259
-	-	-	-	-	2,231	224,324	-	-	342,041
-	-	-	543	10,333	-	(1,203)	-	-	9,673
-	-	1,000	-	-	-	29,752	-	-	30,752
28,348	-	-	-	-	-	173,765	-	970	235,262
-	-	-	-	-	-	-	-	-	1,126
<u>28,348</u>	<u>-</u>	<u>8,142</u>	<u>543</u>	<u>10,489</u>	<u>2,614</u>	<u>656,121</u>	<u>3,563</u>	<u>970</u>	<u>1,101,129</u>
(22,156)	3,500	(2,550)	(2,183)	(3,689)	(1,961)	(36,895)	(1,141)	(500)	(270,939)
-	-	-	-	-	-	12,000	-	-	274,558
-	-	-	-	-	-	12,000	-	-	274,558
(22,156)	3,500	(2,550)	(2,183)	(3,689)	(1,961)	(24,895)	(1,141)	(500)	3,619
<u>22,156</u>	<u>-</u>	<u>6,000</u>	<u>2,183</u>	<u>62,033</u>	<u>3,220</u>	<u>(73,837)</u>	<u>-</u>	<u>500</u>	<u>147,182</u>
<u>-</u>	<u>3,500</u>	<u>3,450</u>	<u>-</u>	<u>58,344</u>	<u>1,259</u>	<u>(98,732)</u>	<u>(1,141)</u>	<u>-</u>	<u>150,801</u>

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Public School Support Fund

Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Other local revenues	\$ <u>39,763</u>	<u>28,518</u>	<u>(11,245)</u>
Total revenues	<u>39,763</u>	<u>28,518</u>	<u>(11,245)</u>
Expenditures:			
Current:			
Extracurricular activities	<u>87,958</u>	<u>1,126</u>	<u>86,832</u>
Total expenditures	<u>87,958</u>	<u>1,126</u>	<u>86,832</u>
Excess of revenues over (under) expenditures	<u>(48,195)</u>	<u>27,392</u>	<u>75,587</u>
Fund balance, beginning of year	56,894	56,894	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>8,699</u>	<u>84,286</u>	



**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Other Grant Fund

Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Tuition	\$ 1,800	1,800	-
Other local revenues	1,995	1,995	-
Intergovernmental - state and local	<u>8,120</u>	<u>8,120</u>	<u>-</u>
Total revenues	<u>11,915</u>	<u>11,915</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Vocational	10,115	1,995	8,120
Support Services:			
Pupil	<u>1,926</u>	<u>1,894</u>	<u>32</u>
Total expenditures	<u>12,041</u>	<u>3,889</u>	<u>8,152</u>
Excess of revenues over (under) expenditures	<u>(126)</u>	<u>8,026</u>	<u>8,152</u>
Fund balance, beginning of year	126	126	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>8,152</u>	

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual (Budget Basis)

## Termination Benefits Fund

Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Earnings on investments	\$ 252	252	-
Total revenues	<u>252</u>	<u>252</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Vocational	217,099	217,099	-
Total expenditures	<u>217,099</u>	<u>217,099</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(216,847)</u>	<u>(216,847)</u>	<u>-</u>
Other financing sources:			
Transfers in	235,000	235,000	-
Total other financing sources	<u>235,000</u>	<u>235,000</u>	<u>-</u>
Excess of revenues and other sources over expenditures	18,153	18,153	-
Fund balance, beginning of year	105,411	105,411	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>123,564</u>	<u>123,564</u>	

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Career Development Fund

Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental - state and local	\$ 135,664	135,664	-
Total revenues	<u>135,664</u>	<u>135,664</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Pupil	<u>123,597</u>	<u>123,600</u>	<u>(3)</u>
Total expenditures	<u>123,597</u>	<u>123,600</u>	<u>(3)</u>
Excess of revenues over (under) expenditures	<u>12,067</u>	<u>12,064</u>	<u>(3)</u>
Other financing sources (uses):			
Transfers in	17,058	17,058	-
Transfers out	(398)	(398)	-
Other financing uses	<u>(1,160)</u>	<u>(1,160)</u>	<u>-</u>
Total other financing sources (uses)	<u>15,500</u>	<u>15,500</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	27,567	27,564	(3)
Fund balance, beginning of year	(27,652)	(27,652)	
Prior year encumbrances appropriated	<u>85</u>	<u>85</u>	
Fund balance, end of year	\$ <u>-</u>	<u>(3)</u>	

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Post Secondary Vocational Education Fund

Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental - state and local	\$ 20,000	20,000	-
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Expenditures:			
Current:			
Central	<u>30,500</u>	<u>30,500</u>	<u>-</u>
Total expenditures	<u>30,500</u>	<u>30,500</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(10,500)</u>	<u>(10,500)</u>	<u>-</u>
Other financing sources (uses):			
Transfers in	<u>10,500</u>	<u>10,500</u>	<u>-</u>
Total other financing sources (uses)	<u>10,500</u>	<u>10,500</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other (uses)	-	-	-
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>-</u>	

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Teacher Development Fund

Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Other local revenue	<u>(8,214)</u>	<u>(8,214)</u>	<u>-</u>
Total revenues	<u>(8,214)</u>	<u>(8,214)</u>	<u>-</u>
Expenditures:			
Current:			
Support Services:			
Instructional staff	<u>6,543</u>	<u>-</u>	<u>6,543</u>
Total expenditures	<u>6,543</u>	<u>-</u>	<u>6,543</u>
Excess of revenues over (under) expenditures	<u>(14,757)</u>	<u>(8,214)</u>	<u>6,543</u>
Fund balance, beginning of year	14,757	14,757	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>6,543</u>	

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Management Information Systems Fund

Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental - state and local	\$ 6,192	6,192	-
Total revenues	<u>6,192</u>	<u>6,192</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Central	<u>28,348</u>	<u>28,348</u>	<u>-</u>
Total expenditures	<u>28,348</u>	<u>28,348</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(22,156)</u>	<u>(22,156)</u>	<u>-</u>
Fund balance, beginning of year	22,156	22,156	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>-</u>	

# BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

One Net Fund

Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental - state and local	<u>3,500</u>	<u>3,500</u>	<u>-</u>
Total revenues	<u>3,500</u>	<u>3,500</u>	<u>-</u>
Expenditures:			
Current:			
Central	<u>3,500</u>	<u>-</u>	<u>3,500</u>
Total expenditures	<u>3,500</u>	<u>-</u>	<u>3,500</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>3,500</u>	<u>3,500</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	<u>\$ -</u>	<u>3,500</u>	

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Schoolnet Professional Development Grant Fund

Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental - state and local	\$ 2,142	5,592	3,450
Total revenues	<u>2,142</u>	<u>5,592</u>	<u>3,450</u>
Expenditures:			
Current:			
Instructional:			
Vocational education	7,142	7,142	-
Support services:			
Instructional staff	-	-	-
School administration	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Total expenditures	<u>8,142</u>	<u>8,142</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(6,000)</u>	<u>(2,550)</u>	<u>3,450</u>
Fund balance, beginning of year	6,000	6,000	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>3,450</u>	



**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Tech Prep Fund

Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental - state and local	\$ -	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	543	543	-
Total expenditures	<u>543</u>	<u>543</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(543)</u>	<u>(543)</u>	<u>-</u>
Other financing sources uses:			
Other financing uses	<u>(1,640)</u>	<u>(1,640)</u>	<u>-</u>
Excess of revenues over (under) expenditures and other (uses)	<u>(2,183)</u>	<u>(2,183)</u>	<u>-</u>
Fund balance, beginning of year	1,640	1,640	
Prior year encumbrances appropriated	<u>543</u>	<u>543</u>	
Fund balance, end of year	\$ <u>-</u>	<u>-</u>	

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Miscellaneous State Grants Fund

Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental - state and local	\$ 9,780	-	(9,780)
Total revenues	<u>9,780</u>	<u>-</u>	<u>(9,780)</u>
Expenditures:			
Current:			
Instruction:			
Vocational	9,780	322	9,458
Support services:			
Instructional staff	<u>13,404</u>	<u>12,658</u>	<u>746</u>
Total expenditures	<u>23,184</u>	<u>12,980</u>	<u>10,204</u>
Excess of revenues over (under) expenditures	(13,404)	(12,980)	424
Other financing sources:			
Other financing sources	<u>(50,955)</u>	<u>-</u>	<u>50,955</u>
Total other financing sources	<u>(50,955)</u>	<u>-</u>	<u>50,955</u>
Excess of revenues and other sources over (under) expenditures	(64,359)	(12,980)	51,379
Fund balance, beginning of year	25,503	25,503	
Prior year encumbrances appropriated	<u>38,856</u>	<u>38,856</u>	
Fund balance, end of year	\$ <u>-</u>	<u>51,379</u>	

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Education for Economic Security Act Fund

Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental - federal	\$ 3,879	3,491	(388)
Total revenues	<u>3,879</u>	<u>3,491</u>	<u>(388)</u>
Expenditures:			
Current:			
Instruction:			
Regular	726	726	-
Support services:			
Pupil	<u>3,879</u>	<u>2,231</u>	<u>1,648</u>
Total expenditures	<u>4,605</u>	<u>2,957</u>	<u>1,648</u>
Excess of revenues over (under) expenditures	<u>(726)</u>	<u>534</u>	<u>1,260</u>
Other financing (uses):			
Other financing (uses)	<u>(2,838)</u>	<u>(2,838)</u>	<u>-</u>
Total other financing (uses)	<u>(2,838)</u>	<u>(2,838)</u>	<u>-</u>
Excess of revenues over (under) expenditures and other (uses)	<u>(3,564)</u>	<u>(2,304)</u>	<u>1,260</u>
Fund balance, beginning of year	1,881	1,881	
Prior year encumbrances appropriated	<u>1,683</u>	<u>1,683</u>	
Fund balance, end of year	\$ <u>-</u>	<u>1,260</u>	

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Vocational Education Fund

Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Tuition	\$ 68,653	58,821	(9,832)
Intergovernmental - state and local	17,568	15,167	(2,401)
Intergovernmental - federal	<u>658,433</u>	<u>541,675</u>	<u>(116,758)</u>
Total revenues	<u>744,654</u>	<u>615,663</u>	<u>(128,991)</u>
Expenditures:			
Current:			
Instruction:			
Vocational	179,981	164,624	15,357
Adult/continuing education	70,148	62,429	7,719
Support services:			
Pupil	254,597	230,102	24,495
Instructional staff	120	110	10
School administration	29,752	29,752	-
Central	<u>192,393</u>	<u>172,253</u>	<u>20,140</u>
Total expenditures	<u>726,991</u>	<u>659,270</u>	<u>67,721</u>
Excess of revenues over (under) expenditures	17,663	(43,607)	(61,270)
Other financing sources (uses):			
Transfers in	<u>12,000</u>	<u>12,000</u>	-
Total other financing sources (uses)	<u>12,000</u>	<u>12,000</u>	-
Excess of revenues and other sources over (under) expenditures and other (uses)	29,663	(31,607)	(61,270)
Fund balance, beginning of year	(51,277)	(51,277)	
Prior year encumbrances appropriated	<u>21,614</u>	<u>21,614</u>	
Fund balance, end of year	\$ <u>-</u>	<u>(61,270)</u>	

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Chapter II Fund

Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental - federal	\$ 8,353	2,422	(5,931)
Total revenues	<u>8,353</u>	<u>2,422</u>	<u>(5,931)</u>
Expenditures:			
Current:			
Instruction:			
Vocational education	<u>8,353</u>	<u>3,858</u>	<u>4,495</u>
Total expenditures	<u>8,353</u>	<u>3,858</u>	<u>4,495</u>
Excess of revenues over (under) expenditures	-	(1,436)	(1,436)
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>(1,436)</u>	

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Miscellaneous Federal Grant Fund

Year Ended June 30, 2002

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental - federal	\$ -	-	-
Total revenues	-	-	-
Expenditures:			
Current:			
Support Services:			
Instructional staff	-	-	-
Total expenditures	-	-	-
Excess of revenues over expenditures	-	-	-
Other financing sources (uses):			
Other financing uses	(500)	(500)	-
Total other financing sources (uses)	(500)	(500)	-
Excess of revenues and other sources over (under) expenditures and other (uses)	(500)	(500)	-
Fund balance, beginning of year	500	500	
Prior year encumbrances appropriated	-	-	
Fund balance, end of year	\$ -	-	

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Debt Service Fund

Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Taxes	\$ 2,552,452	2,552,452	-
Total revenues	<u>2,552,452</u>	<u>2,552,452</u>	<u>-</u>
Expenditures:			
Debt service:			
Repayment of debt	<u>2,552,452</u>	<u>2,552,452</u>	<u>-</u>
Total expenditures	<u>2,552,452</u>	<u>2,552,452</u>	<u>-</u>
Excess of revenues over expenditures	-	-	-
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>-</u>	

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Permanent Improvement Fund

Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Earnings on investments	\$ 37,199	37,199	-
Other local revenues	<u>64,511</u>	<u>64,511</u>	<u>-</u>
Total revenues	<u>101,710</u>	<u>101,710</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Adult/continuing	<u>15,200</u>	<u>15,200</u>	<u>-</u>
Total expenditures	<u>15,200</u>	<u>15,200</u>	<u>-</u>
Excess of revenues over expenditures	<u>86,510</u>	<u>86,510</u>	<u>-</u>
Other financing sources:			
Transfers in	<u>507,500</u>	<u>507,500</u>	<u>-</u>
Total other financing sources	<u>507,500</u>	<u>507,500</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	594,010	594,010	-
Fund balance, beginning of year	3,611,901	3,611,901	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>4,205,911</u>	<u>4,205,911</u>	



**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Building Fund

Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Earnings on investments	\$ 1,503	1,503	-
Total revenues	<u>1,503</u>	<u>1,503</u>	<u>-</u>
Expenditures:			
Facilities acquisition and construction	<u>659,061</u>	<u>659,061</u>	<u>-</u>
Total expenditures	<u>659,061</u>	<u>659,061</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(657,558)</u>	<u>(657,558)</u>	<u>-</u>
Other financing sources:			
Transfers in	<u>3,875,000</u>	<u>3,875,000</u>	<u>-</u>
Total other financing sources	<u>3,875,000</u>	<u>3,875,000</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	3,217,442	3,217,442	-
Fund balance, beginning of year	68,026	68,026	
Prior year encumbrances appropriated	<u>253,621</u>	<u>253,621</u>	
Fund balance, end of year	\$ <u>3,539,089</u>	<u>3,539,089</u>	

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Schoolnet Equipment Fund

Year Ended June 30, 2002

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other local revenues	\$ (2,500)	(2,500)	-
Total revenues	<u>(2,500)</u>	<u>(2,500)</u>	<u>-</u>
Expenditures:			
Support services:			
Central	<u>67</u>	<u>67</u>	<u>-</u>
Total expenditures	<u>67</u>	<u>67</u>	<u>-</u>
Excess of revenues over (under) expenditures	(2,567)	(2,567)	-
Fund balance, beginning of year	2,567	2,567	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>	

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Combining Statement of Net Assets

Nonmajor Enterprise Funds

June 30, 2002

	<u>Food Service</u>	<u>Uniform School Supply</u>	<u>Rotary</u>	<u><i>TOTAL</i></u>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ -	30,615	221,176	251,791
Net receivables:				
Accounts	<u>1,194</u>	<u>-</u>	<u>-</u>	<u>1,194</u>
<b>Total assets</b>	<u>1,194</u>	<u>30,615</u>	<u>221,176</u>	<u>252,985</u>
<b>Liabilities:</b>				
Accounts payable	-	-	30,462	30,462
Accrued wages and benefits	-	-	8,837	8,837
Interfund payable	<u>18,299</u>	<u>-</u>	<u>-</u>	<u>18,299</u>
<b>Total liabilities</b>	<u>18,299</u>	<u>-</u>	<u>39,299</u>	<u>57,598</u>
<b>Net assets:</b>				
Unrestricted	<u>(17,105)</u>	<u>30,615</u>	<u>181,877</u>	<u>195,387</u>
<b>Total net assets</b>	\$ <u>(17,105)</u>	<u>30,615</u>	<u>181,877</u>	<u>195,387</u>

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Combining Statement of Revenues, Expenses and  
 Changes in Fund Net Assets  
 Nonmajor Enterprise Funds  
 Year Ended June 30, 2002

	Food Service	Uniform School Supply	Rotary	<b><i>TOTAL</i></b>
<b>Operating revenues:</b>				
Charges for services	\$ 142,002	18,952	10,038	170,992
Other operating revenues	<u>-</u>	<u>-</u>	<u>289,167</u>	<u>289,167</u>
Total operating revenues	<u>142,002</u>	<u>18,952</u>	<u>299,205</u>	<u>460,159</u>
<b>Operating expenses:</b>				
Personnel services	85,553	-	71,980	157,533
Contractual services	18,266	-	189,288	207,554
Materials and supplies	90,869	16,992	39,346	147,207
Other operating expenses	<u>7,668</u>	<u>206</u>	<u>158,257</u>	<u>166,131</u>
Total operating expenses	<u>202,356</u>	<u>17,198</u>	<u>458,871</u>	<u>678,425</u>
Operating income (loss)	(60,354)	1,754	(159,666)	(218,266)
<b>Nonoperating revenues:</b>				
Earnings on investment	<u>84</u>	<u>-</u>	<u>-</u>	<u>84</u>
Net income (loss) before transfers	(60,270)	1,754	(159,666)	(218,182)
Transfers in	<u>40,000</u>	<u>-</u>	<u>250,000</u>	<u>290,000</u>
Net income (loss)	(20,270)	1,754	90,334	71,818
Net assets, beginning of year	<u>3,165</u>	<u>28,861</u>	<u>91,543</u>	<u>123,569</u>
Net assets, end of year	\$ <u>(17,105)</u>	<u>30,615</u>	<u>181,877</u>	<u>195,387</u>

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year Ended June 30, 2002

	Food Service	Uniform School Supply	Rotary	<i><b>TOTAL</b></i>
<b>Cash flows from operating activities:</b>				
Cash received from fees	\$ 140,808	18,952	10,038	169,798
Cash received from other operations	-	-	289,167	289,167
Cash payments for personal services	(85,553)	-	(60,382)	(145,935)
Cash payments for contract services	(19,270)	-	(170,062)	(189,332)
Cash payments for supplies and materials	(90,869)	(17,060)	(39,346)	(147,275)
Cash payments for other expenses	(7,668)	(206)	(158,257)	(166,131)
Net cash provided (used) by operating activities	<u>(62,552)</u>	<u>1,686</u>	<u>(128,842)</u>	<u>(189,708)</u>
<b>Cash flows from noncapital financing activities:</b>				
Transfers from other funds	40,000	-	250,000	290,000
Interfund loans	18,299	-	-	18,299
Cash received from operating grants	1,261	-	-	1,261
Net cash provided by noncapital financing activities	<u>59,560</u>	<u>-</u>	<u>250,000</u>	<u>309,560</u>
<b>Cash flows from investing activities:</b>				
Interest received	87	-	-	87
Net cash provided by investing activities	<u>87</u>	<u>-</u>	<u>-</u>	<u>87</u>
Net increase (decrease) in cash	(2,905)	1,686	121,158	119,939
Cash, beginning of year	2,905	28,929	100,018	131,852
Cash, end of year	<u>-</u>	<u>30,615</u>	<u>221,176</u>	<u>251,791</u>
<b>Reconciliation of operating income (loss)</b>				
to net cash provided (used) by operating activities:				
Operating income (loss)	(60,354)	1,754	(159,666)	(218,266)
Adjustments to reconcile operating income (loss)				
to net cash provided (used) by operating activities:				
Changes in assets and liabilities:				
Accounts receivable	(1,194)	-	-	(1,194)
Accounts payable	(1,004)	(68)	29,036	27,964
Accrued wages and benefits	-	-	1,788	1,788
Net cash provided (used) by operating activities	<u>\$ (62,552)</u>	<u>1,686</u>	<u>(128,842)</u>	<u>(189,708)</u>

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**

Combining Statement of Net Assets

Agency Funds

June 30, 2002

	<u>Agency Funds</u>			
	<u>SWOCA</u>	<u>Student Activities</u>	<u>District Agency</u>	<u>Total</u>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ <u>2,251,730</u>	<u>75,862</u>	<u>11,746</u>	<u>2,339,338</u>
Total assets	<u>2,251,730</u>	<u>75,862</u>	<u>11,746</u>	<u>2,339,338</u>
<b>Liabilities:</b>				
Due to student groups	-	75,862	-	75,862
Due to other governments	<u>2,251,730</u>	<u>-</u>	<u>11,746</u>	<u>2,263,476</u>
Total liabilities	\$ <u>2,251,730</u>	<u>75,862</u>	<u>11,746</u>	<u>2,339,338</u>

*Butler County Joint Vocational  
School District, Ohio*

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**STATISTICAL SECTION**

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**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**GENERAL FUND EXPENDITURES BY FUNCTION**  
**LAST TEN YEARS**

<b>Year</b>	<b>Instruction</b>	<b>Support Services</b>	<b>Community Services</b>	<b>Extra-Curricular Activities</b>	<b>Facilities and Capital Outlay</b>	<b>Debt Service</b>	<b>Total</b>
Fiscal 2002	\$ 9,707,634	4,248,365	11,719	74,247	2,317,934	45,230	16,405,129
Fiscal 2001	7,928,079	3,487,847	20,480	39,949	966,777	68,834	12,511,966
Fiscal 2000	7,232,685	3,163,769	36,046	17,373	783,037	68,834	11,301,744
Fiscal 1999	8,508,927	3,485,138	-	21,503	1,035,387	68,834	13,119,789
Fiscal 1998	8,093,650	3,806,487	-	18,740	296,716	47,864	12,263,457
Fiscal 1997	8,549,132	3,949,107	-	14,912	165,452	23,586	12,702,189
Fiscal 1996	9,032,257	4,283,682	-	12,103	-	27,980	13,356,022
Fiscal 1995	5,672,205	3,085,606	-	9,207	-	287,980	9,054,998
Fiscal 1994	5,805,357	3,063,899	-	6,123	-	-	8,875,379
Fiscal 1993	5,022,445	2,548,010	-	2,795	-	51,900	7,625,150

Source: District records.



**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO  
GENERAL FUND REVENUES BY SOURCE  
LAST TEN YEARS**

<b>Year</b>	<b>Taxes</b>	<b>Tuition</b>	<b>Earnings on Investments</b>	<b>Inter- governmental</b>	<b>Other</b>	<b>Total</b>
Fiscal 2002	\$ 5,652,626	-	992,430	9,664,383	70,378	16,379,817
Fiscal 2001	9,081,804	9,218	1,127,656	8,678,683	159,412	19,056,773
Fiscal 2000	6,833,243	5,177	653,760	8,181,814	105,553	15,779,547
Fiscal 1999	8,974,891	-	554,556	7,282,256	158,274	16,969,977
Fiscal 1998	7,778,542	-	450,532	7,477,698	273,309	15,980,081
Fiscal 1997	6,910,796	1,535	245,026	6,943,825	137,805	14,238,987
Fiscal 1996	6,105,779	17,139	213,916	6,961,086	184,480	13,482,400
Fiscal 1995	4,830,344	7,304	182,078	4,486,736	103,272	9,609,734
Fiscal 1994	4,404,024	46,315	155,773	4,305,068	74,802	8,985,982
Fiscal 1993	3,972,826	11,527	166,052	3,981,460	26,286	8,158,151

Source: District records.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**PROPERTY TAX LEVIES AND COLLECTIONS - REAL AND PUBLIC UTILITY PROPERTY**  
**LAST TEN COLLECTION (CALENDAR) YEARS**

<b>Year</b>	<b>Tax Levied (1)</b>	<b>Current Collection (2)</b>	<b>Percent Collected</b>	<b>Delinquent Collection</b>	<b>Total Tax Collection</b>	<b>Percent of Total Collections to Levy</b>	<b>Outstanding Delinquent Taxes (3)</b>	<b>Percent of Outstanding Delinquent Taxes to Tax Levied</b>
2001	\$ 8,722,674	8,493,949	97.38%	256,853	8,750,802	100.32%	339,063	3.89%
2000	8,427,785	8,159,326	96.81%	183,980	8,343,306	99.00%	485,057	5.76%
1999	7,593,136	7,327,219	96.50%	208,671	7,535,890	99.25%	400,578	5.28%
1998	7,233,754	7,032,333	97.22%	164,771	7,197,104	99.49%	343,332	4.75%
1997	7,324,499	7,129,780	97.34%	171,723	7,301,503	99.69%	306,682	4.19%
1996	7,277,902	7,083,440	97.33%	180,013	7,263,453	99.80%	269,112	3.70%
1995	5,374,193	5,208,595	96.92%	131,498	5,340,093	99.37%	228,613	4.25%
1994	5,158,512	4,983,497	96.61%	116,257	5,099,754	98.86%	194,513	3.77%
1993	4,586,094	4,446,893	96.96%	135,135	4,582,028	99.91%	129,744	2.83%
1992	4,170,642	4,044,544	96.98%	116,458	4,161,002	99.77%	125,678	3.01%

Source: Butler County Auditor.

- (1) Taxes levied and collected are presented on a cash basis.
- (2) State reimbursements of rollback and homestead exemptions are included.
- (3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN CALENDAR YEARS (1)**

<b>Year</b>		<b>Agricultural and Residential Real Estate</b>	<b>Other Real Estate</b>	<b>Public Utility Personal</b>	<b>Tangible Personal</b>	<b>Total Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Ratio</b>
2002	\$	3,404,913,350	1,032,682,040	221,441,000	647,381,596	5,306,417,986	15,520,007,855	34.19%
2001		3,266,072,980	1,027,985,690	340,235,770	603,873,150	5,238,167,590	15,070,863,214	34.76%
2000		3,101,386,920	909,393,350	355,947,900	563,581,619	4,930,309,789	14,118,184,926	34.92%
1999		2,770,306,620	889,507,980	354,744,010	562,802,599	4,577,361,209	13,110,941,732	34.91%
1998		2,731,088,120	800,522,700	349,975,010	559,330,743	4,440,916,573	12,725,338,476	34.90%
1997		2,666,270,800	812,857,680	345,421,730	559,517,525	4,384,067,735	12,570,961,879	34.87%
1996		2,561,278,490	788,158,160	350,233,540	505,719,158	4,205,389,348	11,990,688,291	35.07%
1995		2,261,437,670	680,148,017	346,051,253	435,912,213	3,723,549,153	10,541,419,447	35.32%
1994		1,797,541,600	451,187,630	266,518,400	218,303,116	2,733,550,746	7,601,014,939	35.96%
1993		1,704,082,190	457,439,260	246,340,060	199,395,607	2,607,257,117	7,253,289,886	35.95%

Source: Butler County Auditor.

- (1) Butler County Auditor property tax records are maintained on a calendar year basis.
- (2) Middletown City School District became a member of the District in 1996.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**PROPERTY TAX RATES (PER \$1,000 OF ASSESSED VALUATION)**  
**DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN COLLECTION (CALENDAR YEARS)**

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
<b>BCJVSD</b>	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.94	1.97
<b>Butler County</b>	8.75	8.45	8.45	8.44	8.45	8.44	7.44	7.45	7.44	7.45
<b><u>Cities and Villages:</u></b>										
Fairfield	5.94	4.54	4.54	4.54	4.54	4.54	4.54	4.54	4.25	4.25
Millville	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
Monroe	11.17	7.85	7.85	7.85	7.85	7.85	7.85	7.85	7.85	7.85
Somerville	3.09	3.09	3.09	3.09	3.09	3.09	3.09	3.09	3.09	3.09
Oxford	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65
New Miami	8.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30	3.30
Sevenmile	7.02	8.02	8.82	8.82	7.32	9.22	7.92	8.42	8.42	8.42
Hamilton										
Talawanda LSD	5.06	5.06	5.06	5.06	5.06	5.06	5.11	5.11	5.11	5.11
Ross LSD	3.97	3.97	3.97	3.97	3.97	3.97	4.02	4.02	4.02	4.02
Fairfield CSD	2.54	2.54	2.54	2.54	2.54	2.54	2.59	2.59	2.59	2.59
New Miami LSD	4.06	4.06	4.06	4.06	4.06	4.06	4.11	4.11	4.11	4.11
Edgewood CSD	4.49	4.49	4.49	4.49	4.49	5.06	3.24	-	-	-
Middletown	5.86	4.14	6.36	6.36	6.31	6.31	6.38	-	-	-
Trenton	4.74	4.74	4.99	4.99	4.99	4.99	4.99	4.99	3.24	3.24
Indian Springs	-	-	-	-	-	7.19	7.19	7.19	-	-
<b><u>School Districts:</u></b>										
Edgewood City Schools	43.76	37.11	37.55	37.55	33.61	34.11	34.61	35.36	35.61	37.61
Fairfield City Schools	54.11	54.16	54.16	54.16	53.56	55.16	55.16	55.16	50.76	50.76
Lakota Local Schools	61.88	55.14	56.14	56.14	56.14	56.24	50.14	51.74	48.14	49.24
Madison Local Schools	36.54	35.94	30.94	30.94	30.94	31.09	31.84	31.94	32.14	32.64
Middletown City Schools	34.78	35.33	36.56	36.56	36.63	37.03	38.20	-	-	-
Monroe Local Schools	43.36	-	-	-	-	-	-	-	-	-
New Miami Local Schools	29.42	29.09	25.09	25.09	25.09	25.09	25.09	25.84	25.84	25.84
Ross Local Schools	45.73	45.73	45.73	45.73	45.73	45.84	46.43	47.73	42.18	42.18
Talawanda Local Schools	50.30	43.80	43.80	43.80	43.80	46.30	51.80	51.80	51.80	51.80

Source: Butler County Auditor

- (1) Middletown City Schools became a member of the District in 1996.
- (2) Fairfield Township was incorporated as Indian Springs in 1993 but reverted back to a township in 1997.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**PROPERTY TAX RATES (PER \$1,000 OF ASSESSED VALUATION)**  
**DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN COLLECTION (CALENDAR YEARS)**

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
<b><u>Townships:</u></b>										
Fairfield Township	7.19	7.19	7.19	7.19	7.19	-	-	-	7.19	7.19
Fairfield F.D.	5.00	5.00	5.00	5.00	5.00	-	-	-	5.00	5.00
Fairfield Corp.	-	-	-	-	-	-	-	-	0.29	0.29
Hanover Township	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72
Millville Corp.	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42
Lemon Township	-	-	-	-	-	-	2.92	-	-	-
Monroe Corp.	-	-	-	-	-	-	0.60	-	-	-
Liberty Township	10.59	7.59	7.59	7.59	7.59	5.59	5.59	4.92	4.09	3.09
Monroe Corp.	0.59	0.59	0.59	0.59	0.59	0.59	0.59	0.59	2.09	2.09
Madison Township	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26
Milford Township	5.74	5.74	5.74	5.74	5.74	5.74	5.74	5.74	5.74	5.74
Somerville Corp.	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Morgan Township	5.72	6.22	6.22	6.22	5.22	5.22	5.22	5.22	5.22	5.22
Oxford Township	7.84	7.84	7.84	7.84	7.84	7.84	5.84	5.84	5.84	5.84
Oxford Corp.	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24
Reily Township	7.39	7.39	7.39	7.39	5.39	5.39	5.39	5.39	5.39	5.39
Ross Township	6.72	5.72	5.72	5.72	5.72	5.72	3.72	5.72	4.72	4.72
Millville Corp.	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92
St. Clair Township	4.47	4.47	4.47	4.47	4.47	4.47	4.47	4.47	4.47	4.47
New Miami Corp.	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01
Seven Mile Corp.	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	1.01
Union Township	13.09	10.59	9.59	9.59	9.59	9.59	9.59	9.59	9.59	9.59
Fairfield Corp.	-	-	-	-	-	-	-	-	0.59	0.59
Wayne Township	3.58	3.58	3.58	3.58	4.58	4.58	4.58	3.58	5.08	5.08
Seven Mile Corp.	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51

Source: Butler County Auditor

- (1) Middletown City Schools became a member of the District in 1996.
- (2) Fairfield Township was incorporated as Indian Springs in 1993 but reverted back to a township in 1997.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO  
 RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND  
 NET GENERAL OBLIGATION BONDED DEBT PER CAPITA  
 LAST TEN CALENDAR YEARS**

<b>Year</b>	<b>Net General Bonded Debt</b>	<b>Assessed Value</b>	<b>Population</b>	<b>Ratio of Debt to Assessed Value</b>	<b>Net Debt Per Capita</b>
2002	\$ 3,595,000	5,306,417,986	349,490	0.07%	10.29
2001	5,195,000	5,238,167,590	332,807	0.10%	15.61
2000	795,000	4,930,309,789	335,560	0.02%	2.37
1999	895,000	4,577,361,209	332,623	0.02%	2.69
1998	-	4,440,916,573	330,411	0.00%	-
1997	-	4,384,067,735	326,749	0.00%	-
1996	140,000	4,205,389,348	323,358	0.00%	0.43
1995	350,000	3,723,549,153	319,458	0.01%	1.10
1994	200,000	2,733,550,746	315,763	0.01%	0.63
1993	300,000	2,607,257,117	311,776	0.01%	0.96

Source: Butler County Auditor and District records.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**COMPUTATION OF OVERLAPPING DEBT**  
**JUNE 30, 2002**

<b>Governmental Unit</b>	<b>General Obligation Debt Outstanding</b>	<b>Percent Applicable to District</b>	<b>Amount Applicable to District</b>
Butler County	\$ 15,060,000	100.00%	15,060,000
City of Middletown	15,595,000	100.00%	15,595,000
City of Fairfield	9,281,783	100.00%	9,281,783
City of Oxford	<u>3,700,000</u>	100.00%	<u>3,700,000</u>
Total Overlapping Debt	\$ <u>43,636,783</u>		<u>43,636,783</u>

Source: Butler County Auditor.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO  
 COMPUTATION OF LEGAL DEBT MARGIN  
 JUNE 30, 2002**

Assessed valuation of District	\$ <u>5,306,417,986</u>
Voted Debt Limit - 9% of Assessed Value	477,577,619
Amount of Debt Applicable to Debt Limit:	
Net Bonded Debt	<u>                    -</u>
Voted Debt Margin	<u>477,577,619</u>
Unvoted Debt Limit - .1% of Assessed Value	5,306,418
Amount of Debt Applicable to Debt Limit:	<u>3,000,000</u>
Unvoted Debt Margin	\$ <u>2,306,418</u>

Source: County Auditor and School District Records

Note: Ohio Bond Law sets a limit of 9% for voted debt and 0.1% for unvoted debt.

Note: Bonds issued for Energy Conservation Projects are excludable when calculating legal debt margin.



**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO**  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL**  
**OBLIGATION BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES**  
**LAST TEN YEARS**

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Total General Fund Expenditures</b>	<b>Ratio of Debt Service to General Fund Expenditures</b>
2002	\$ 1,600,000	205,125	1,805,125	16,405,129	11.00%
2001	100,000	34,325	134,325	12,511,966	1.07%
2000	100,000	36,325	136,325	11,301,744	1.21%
1999	100,000	31,566	131,566	13,119,789	1.00%
1998	-	-	-	12,207,807	0.00%
1997	140,000	5,436	145,436	12,702,189	1.14%
1996	120,000	10,355	130,355	13,356,022	0.98%
1995	120,000	15,070	135,070	9,054,998	1.49%
1994	100,000	9,500	109,500	8,875,379	1.23%
1993	100,000	14,250	114,250	7,625,150	1.50%

Source: School District Records.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO  
 CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUES  
 LAST TEN YEARS**

<b>Year</b>		<b>Property Values (1)</b>	<b>Construction Values (2)</b>	<b>Bank Deposits (3)</b>
2002	\$	5,306,417,986	156,366,490	1,136,994,000
2001		5,238,167,590	188,219,910	1,141,635,000
2000		4,930,309,789	125,091,420	923,585,000
1999		4,577,361,209	123,319,530	864,105,000
1998		4,440,916,573	120,230,050	815,435,000
1997		4,384,067,735	126,282,560	783,398,000
1996		4,205,389,348	116,248,200	800,556,000
1995		3,723,549,153	118,963,340	737,683,000
1994		2,733,550,746	84,376,290	711,686,000
1993		2,607,257,117	76,694,870	724,213,000

(1) Middletown City School District was added to the Tax Values effective January 1, 1996. Source: Butler County Auditor.

(2) Source: Butler County Auditor.

(3) Includes all Butler County deposits. Source: Department of Data Service, Federal Reserve Bank of Cleveland.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO  
 PRINCIPAL TAXPAYERS - REAL AND TANGIBLE PERSONAL PROPRTY  
 JUNE 30, 2002**

<b>Name of Taxpayer</b>	<b>Assessed Value</b>	<b>Percent of Assessed Value</b>
AK Steel	\$ 152,824,120	2.88%
Cincinnati Gas & Electric	147,650,420	2.78%
Miller Brewing Company	54,797,530	1.03%
Dugan Financing, LLC	43,650,720	0.82%
Cincinnati Bell Telephone	36,504,300	0.69%
Meijer Stores	20,125,560	0.38%
Bay West Paper Corp.	14,622,420	0.28%
CFC Investments	14,397,280	0.27%
Ohio Bell Telephone	9,729,350	0.18%
Worthington Steel	9,285,990	0.17%

Source: Butler County Auditor.

**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT, OHIO  
 DEMOGRAPHIC STATISTICS  
 LAST TEN YEARS**

<b>Year</b>	<b>Population</b>	<b>Per Capita Income</b>	<b>School Enrollment</b>	<b>Annual Average Unemployment Percentage</b>	
				<b>Butler County</b>	<b>State of Ohio</b>
2002	349,490	\$ 29,658	4,662	4.50%	5.90%
2001	332,807	27,916	4,219	3.20%	4.20%
2000	335,560	27,916	4,234	3.10%	4.11%
1999	332,623	24,896	4,457	3.30%	4.30%
1998	330,411	23,876	4,571	3.40%	4.40%
1997	326,749	23,093	4,685	3.50%	4.60%
1996	323,358	22,310	4,368	4.10%	4.90%
1995	319,458	21,527	2,443	4.00%	4.80%
1994	315,763	20,377	2,802	5.30%	5.50%
1993	311,776	19,679	2,457	6.60%	6.50%

Source: Ohio State University Extension Office, Ohio Bureau of Employment Services

- (1) In 1993, satellite operations were assumed from Fairfield and Edgewood City Schools.
- (2) In 1996, Middletown City School District became a member of the District.



**Auditor of State  
Betty Montgomery**

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**BUTLER COUNTY JOINT VOCATIONAL SCHOOL DISTRICT**

**BUTLER COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 11, 2003**