



**Auditor of State  
Betty Montgomery**



VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY

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**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2002**

<b>Federal Grantor/ Pass Through Grantor Program Title</b>	<b>Pass Through Entity Number</b>	<b>Federal CFDA Number</b>	<b>Receipts</b>	<b>Non-Cash Receipts</b>	<b>Disbursements</b>	<b>Non-Cash Disbursements</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550		\$26,925		\$28,398
National School Lunch Program	LL-P1-01	10.555	\$9,788		\$9,788	
	LL-P4-01		21,817		21,817	
	LL-P4-02		82,651		82,651	
Total National School Lunch Program			114,256		114,256	
Total U.S. Department of Agriculture - Nutrition Cluster			114,256	26,925	114,256	28,398
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education:</i>						
Grants to Local Educational Agencies (ESEA Title I)	C1-S1-01	84.010	29,422		61,021	
	C1-S1-02		27,780		79,698	
Total Title I Grant			57,202		140,719	
Special Education Cluster:						
Special Education Grants to States (IDEA Part B)	6B-SF-01-P	84.027	83,000		192,841	
	6B-SF-02-P		82,887		79,566	
Total Title VI-B			165,887		272,407	
Special Education Preschool Grant	PG-S1-01-P	84.173			7,916	
	PG-S1-02-P		8,648			
Total Special Education Preschool Grant			8,648		7,916	
Total Special Education Cluster			174,535		280,323	
Drug-Free Schools Grant	DR-S1-01	84.186	10,061		14,373	
	DR-S1-02		3,036			
Total Drug-Free Schools Grant			13,097		14,373	
Eisenhower Professional Development Grant	MS-S1-99	84.281			688	
	MS-S1-00				1,299	
	MS-S1-01		1,074		8,854	
	MS-S1-02		11,952		5,893	
Total Eisenhower Professional Development Grant			13,026		16,734	
Innovative Educational Program Strategies	C2-S1-00	84.298			1,475	
	C2-S1-01		15,497		12,773	
	C2-S1-02		5,832		8,245	
Total Innovative Educational Program Strategies			21,329		22,493	
Class Size Reduction Subsidy	CR-S1-00	84.340			790	
	CR-S1-01		9,943		16,860	
	CR-S1-02		24,471		36,909	
Total Class Size Reduction Subsidy			34,414		54,559	
Total U.S. Department of Education			313,603		529,201	
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>						
<i>Passed through Montgomery County Educational Service Center</i>						
Medicaid	Not Available	93.778	5,331		5,331	
Total U.S. Department of Health and Human Services			5,331		5,331	
<b>Total Federal Assistance</b>			<b>\$433,190</b>	<b>\$26,925</b>	<b>\$648,788</b>	<b>\$28,398</b>

See accompanying notes to the Schedule of Federal Awards Expenditures

**VANDALIA BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2002**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - NATIONAL SCHOOL LUNCH PROGRAM**

Federal funds received from the National School Lunch Program were commingled with state subsidy and local revenue from the sale of meals. It was assumed that federal dollars were expended first.

**NOTE C - FOOD DISTRIBUTION PROGRAM**

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. At June 30, 2002, the District had a food commodities inventory in the amount of \$7,495.

**NOTE D - MATCHING REQUIREMENTS**

Certain federal programs require that the District contribute non-federal funds (matching funds) to support the federally-funded programs. The District has complied with the matching requirements. The expenditure of non-federal funds is not included on the Schedule.



## **Auditor of State Betty Montgomery**

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

Vandalia-Butler City School District  
Montgomery County  
306 South Dixie Drive  
Vandalia, Ohio 45377-2189

To the Board of Education:

We have audited the financial statements of Vandalia-Butler City School District, Montgomery County (the "District"), as of and for the year ended June 30, 2002, and have issued our report thereon dated March 10, 2003, wherein we noted the District adopted Governmental Accounting Statement No. 34. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### **Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2002-10357-001 and 2002-10357-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated March 10, 2003.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated March 10, 2003.

Vandalia-Butler City School District  
Montgomery County  
Independent Accountants' Report on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and use of the audit committee, management, 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

March 10, 2003





## Auditor of State Betty Montgomery

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

Vandalia-Butler City School District  
Montgomery County  
306 South Dixie Drive  
Vandalia, Ohio 45377-2189

To the Board of Education:

#### Compliance

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

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2002.

#### Internal Control Over Compliance

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

**Internal Control Over Compliance  
(Continued)**

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 Federal Awards Expenditures**

We have audited the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the Vandalia-Butler City School District, as of and for the year ended June 30, 2002, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 10, 2003, wherein we noted the District adopted Governmental Accounting Statement No. 34. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



**Betty Montgomery**  
Auditor of State

March 10, 2003

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 §.505  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Special Education Cluster, CFDA # 84.027 & 84.173
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

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

**FINDING NUMBER 2002-10357-001**

**Ohio Rev. Code Section 5705.39** prohibits a political subdivision or taxing authority from making fund appropriations in excess of the estimated revenue available for expenditure as certified by amended certificates from the County budget commission. The following funds were determined to have appropriations in excess of the available resources as certified by the County budget commission as of June 30, 2002:

<b>Fund Type / Fund</b>	<b>2002 Estimated Resources</b>	<b>2002 Appropriations</b>	<b>Appropriations In Excess</b>
Athletic Fund (300)	\$363,085	\$462,565	\$99,480
Auxiliary Fund (401)	232,228	234,264	2,036
Teacher Development (416)	10,492	27,492	17,000
Ohio Ed Computer Network (451)	5,755	11,555	5,800
Title II Fund (514)	22,045	23,373	1,328
Title VI-B Fund (516)	275,728	469,132	193,404
Title I Fund (572)	140,800	215,356	74,556
Title VI Fund (573)	25,151	36,428	11,277
Drug Free Schools Fund (584)	17,409	28,173	10,764
E-Rate Fund (588)	8,121	8,545	424
Title VI-R Fund (590)	41,330	68,743	27,413
SchoolNet Fund (450)	35,325	110,325	75,000

The District should develop policies and procedures to prevent appropriations from exceeding the amounts certified as available by the budget commission.

**FINDING NUMBER 2002-10357-002**

**Ohio Rev. Code Section 5705.41(D)** states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

This section of code also allows fiscal officers to prepare so-called "blanket" certificates not exceeding \$5,000 against any specific line item account over a period not exceeding 3 months or running beyond the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

In addition to regular blanket certificates, a subdivision's fiscal officer may also issue so-called "super blanket" certificates in any amount for expenditures and contracts from a specific line-item appropriation account in a specified fund for most professional services, fuel, oil, food items and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the fiscal year or, in the case of counties, beyond the quarterly spending plan established by the county commissioners. More than one super blanket certificate may be outstanding at one particular time for a particular line-item appropriation account.

**FINDING NUMBER 2002-10357-002  
(Continued)**

The District did not prior certify 52.6% of the items tested for non-payroll related expenditures in fiscal year 2002. A majority of the expenditures not being prior certified were caused by the District's not issuing purchase orders for staff mileage reimbursement and utilities.

The District should utilize blanket certificates for mileage reimbursements, and super blanket certificates for utilities, and incorporate procedures to improve prior certification compliance.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No <u>Longer Valid</u> ; <b><i>Explain:</i></b>
2001-10357-001	Financial Statements were not prepared in accordance with GAAP in FY2001	Yes	GASB 34 Statements were prepared and issued for FY2002



Vandalia, Ohio

***COMPREHENSIVE ANNUAL  
FINANCIAL REPORT***

***for the fiscal year ended  
June 30, 2002***





VANDALIA-BUTLER CITY SCHOOL DISTRICT  
VANDALIA, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

Issued by:  
Steven Hinshaw, Ph.D.  
Treasurer

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# **Introductory Section**

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Vandalia-Butler City School District  
Vandalia, Ohio  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2002

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March 10, 2003

Citizens of Vandalia-Butler City School District  
and Members of the Vandalia-Butler Board of Education:

We are pleased to present the first Comprehensive Annual Financial Report (CAFR) for the Vandalia-Butler City School District. This report, for the fiscal year ended June 30, 2002, contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the Vandalia-Butler City School District (District). The responsibility for the accuracy and completeness of all data presented, and the fairness of the presentation, rests with the District, specifically with the District Treasurer's office.

This CAFR is divided into three sections as follows:

1. The Introductory Section contains the table of contents, letter of transmittal, a list of principal officials, and an organizational chart of the District.
2. The Financial Section begins with the Independent Accountants' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the District's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements.
3. The Statistical Section presents social and economic data and financial trend information, and demonstrates the fiscal capacity of the District.

#### DISTRICT OVERVIEW

The Vandalia-Butler City School District serves an area of 36 square miles in the northern part of Montgomery County, Ohio, encompassing Butler Township, the City of Vandalia, the City of Union, and the City of Dayton. The Dayton International Airport, located within the district, comprises approximately 6.25 square miles of the total 36 square miles.

The area is located approximately 10 miles north of the City of Dayton at the "Crossroads of America" which was originally defined by the intersection of US Route 40 and US Route 25A but is now identified by the intersection of Interstate 70 and Interstate 75. With these major thoroughfares, Vandalia and Butler Township provide a desirable location for many families who work in the Dayton metropolitan area and provide a desirable location for many businesses that provide goods and services throughout the country.

Education in the area began with the first school that formed in Butler Township in 1807. Additionally, the Village of Vandalia School District formed in 1869. A consolidated Butler and Vandalia school district formed in 1921 under the name Butler Township Schools. The consolidated school district operated from the Butler Township School Building built in 1921. That school today currently operates as Morton Middle School serving students in grades 5 through 8.

The current charter as the Vandalia-Butler City School District was adopted in 1956. Today, the District operates six school buildings: 3 elementary schools serving grades Kindergarten through grade 4; 2 middle schools serving grades 5 through 8; and, 1 high school serving grades 9-12.



### DISTRICT ORGANIZATION AND REPORTING ENTITY

The District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code. Under a locally elected five member Board form of government, the District provides educational services as authorized by its charter or further mandated by state and/or federal agencies. The Board of Education serves as the taxing authority, contracting body, and policy maker for the District. In addition, the Board adopts the annual operating budget and approves all expenditures of District monies. The Board appoints the Superintendent and Treasurer. As the chief administrative officer, the Superintendent is responsible for the development, supervision, and operation of the school programs and facilities and appoints all other personnel in the District. As the chief financial officer, the Treasurer is responsible for maintaining financial records, acting as the custodian of all District funds, and investing interim funds as specified by law.

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

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units also include organizations that are fiscally dependent on the District in that the District approves the organization's budget, the issuance of its debt or the levying of its taxes. Currently, the District does not have any component units.

The District is associated with the Southwestern Ohio Educational Purchasing Council (SOEPC), which is defined as a jointly governed organization. It is a purchasing council comprised of nearly 100 school districts in 12 counties. The purpose of the council is to obtain prices for quality merchandise and services commonly used by schools. This organization is presented in Note 17.

Also, the District is associated with the Southwestern Ohio Instructional Technology Association (SOITA), which is defined as a jointly governed organization. It is a not-for-profit corporation formed under Section 1702.01 of the Ohio Revised Code. The purpose of the corporation is to serve the educational needs of the area through television programming for the advancement of educational programs. This organization is presented in Note 17.

Also, the District is associated with the Miami Valley Career Technology Center, which is defined as a jointly governed organization. It is a distinct political subdivision of the State of Ohio operating as a joint vocational school district. The purpose of the school district is to provide vocational educational services to students of member districts. This organization is presented in Note 17.

### ECONOMIC CONDITION AND OUTLOOK

The Vandalia-Butler City School District serves the residents of the City of Vandalia and Butler Township. With recent annexations of portions of Butler Township, the City of Union has initiated an aggressive pursuit of land for development.

Butler Township continues to experience residential and commercial growth despite the economic downturn. With the redesign of the Interstate 70 and Interstate 75 exchange beginning in 2002, the township is preparing for new exit ramps at the Benchwood Road and Wyse Road interchange and the closing of the Little York Road exchange. The restaurant industry is already expanding into the new areas of the interstate exchanges with the Golden Corral, Ryan's Steakhouse, Smokey Bones, Steak 'n Shake, and Hooters opening to join seven other national chain restaurants. Residential subdivisions in Butler Township continue to be developed with the opening of phase 5 in the Meeker Creek subdivision, the Villas of Little York subdivision and Singing Woods development. In addition, the City of Union approved 600 acres for residential development recently annexed areas of Butler Township.



Like many other cities, the City of Vandalia has experienced a slight economic downturn. Ochs Industries filed for bankruptcy and Whirlpool Corporation decided to relocate their operations to their home office in Michigan. Vandalia employers, with the number of employees ranging from 50 to 100, experienced an average overall loss of 7 percent during 2001. However, other current employers and new employers helped to soften the economic impact of these incidents by maintaining stable income margins and some expansions of current facilities during 2001. Examples of this expansion include building expansion and/or relocation to Vandalia from the following companies: Central Warehouse, Dayton Trane, All-Seal Home Improvement, Parker Hannifin Seal Group, A.F. Leis Company, and Tricom Marketing. To further enhance potential economic development opportunities, the City of Vandalia Council joined the Montgomery County ED/GE program that is a combined economic development and tax sharing program whose participants include: Montgomery County, townships in Montgomery County, villages, and cities. As part of the ED/GE program and with the help of the Vandalia Incentive Program for businesses, Smith Industries (an aeronautics engineering corporation) is planning further expansion of the operations in Vandalia.

### MAJOR INITIATIVES

The District's Strategic Plan was implemented during the 2001-2002 school year as the first of a five-year plan that parents, staff, community members, administrators, and the Board of Education worked together to develop. Polling, surveys, focus groups, and community forums provided the means to gather data that served to form the plan. The six strategies that comprise the plan will guide the decision-making in the best interests of students with the goal of improving student achievement while maintaining focus on the whole child. The following six strategies represent the main priorities of the Strategic Plan: (1) develop student life skills; (2) integrate instruction; (3) provide support programs and services; (4) enhance community relations and communication; (5) enhance facilities and technology access; and (6) enhance the financial planning process. Significant accomplishments toward meeting the goals and objectives of the Strategic Plan included: (1) curriculum mapping initiatives to align the curriculum with state and federal standards; (2) printing and distributing the Strategic Plan to the school community; and (3) staff development training toward new state standards.

### FINANCIAL INFORMATION

The District's accounting system is organized on a fund basis. Each fund is a distinct, self-balancing entity. Records for general governmental operations are maintained on a budgetary basis system of accounting as prescribed by State statute, which is similar to the cash basis of accounting. Cash basis accounting differs from accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

### Internal Controls

The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely derived from its implementations, and (2) the valuation of cost and benefits requires estimates and judgments by management.

The District uses a fully automated accounting system as well as an automated system for payroll. These systems, coupled with the manual payroll control procedures, ensures that the financial information generated is both accurate and reliable.

### Federal and State Assistance

As a recipient of Federal and State assistance, the District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the District.

### Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level.

The District maintains an encumbrance accounting system as a technique of accomplishing budgetary control. Unencumbered appropriation balances are verified prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated.

### Financial Condition

This is the first year the District has prepared financial statements in accordance with GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB 34 created new basic financial statements for reports as follows:

Government-wide financial statements. These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. The District reports no business-type activities.

Fund financial statements. These statements present information for individual major funds rather than by fund type. Nonmajor governmental funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Fiduciary funds use the accrual basis of accounting.

Statement of budgetary comparisons. These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transaction on a basis of cash receipts, disbursements, and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis for the District. This discussion is located in the financial section of this report following the audit opinion and provides an assessment of the District finances for fiscal year 2002 and the outlook for the future.

### Cash Management

In January 2001, the District adopted a new investment policy and has used Multi-Bank Services, Ltd. as an investment consultant. With the guidance of Multi-Bank Services, the District pursues an aggressive cash management program by expediting the receipt of revenues and prudently investing available cash pursuant to the District's investment policy. The total interest earned by the District's governmental funds was \$608,935 for the fiscal year ended June 30, 2002, which represents an annual interest yield of 2.1 percent of the total receipts for the year. A majority of the District's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The collateral is held by trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions. The District regularly reviews the market value of the pool to ensure that adequate collateral is provided. A more detailed description of the District's investments is presented in Note 6.

### Risk Management

The District maintains protection for its assets and employees through a comprehensive insurance program. Insurance policies for vehicle fleet liability, general liability, property loss, and boiler and machinery coverage are purchased from insurance companies licensed to do business in the State of Ohio.

For fiscal year 2002, the District participated 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 District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating Districts is calculated as one experience and a common premium rate is applied to all 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 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 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.

#### OTHER INFORMATION

##### Independent Audit

An audit team from Auditor of State Betty Montgomery's Office has performed this year's audit. The results of the audit are presented in the Independent Accountants' Report.

##### Awards

The Government Finance Officers Association of the United State and Canada (GFOA) presents an Certificate of Achievement for Excellence in Financial Reporting award for Comprehensive Annual Financial Reports as a prestigious national award for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirement. A Certificate of Achievement is valid for a period of one year only. The District believes the current report conforms to the award program requirements and will submit it to the GFOA to determine its eligibility for an award.

##### Acknowledgements

Sincere appreciation is extended to the many people who have contributed their time and effort to prepare this report. The members of the Treasurer's Office Staff are to be especially commended for their input and commitment. The District is especially proud of this CAFR since fiscal year 2002 was the first year the District prepared its financial statements according to GAAP and implemented GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." Finally, appreciation is extended to the firm of Balestra, Harr and Scherer Consulting, LLC, and in particular to Shelly Poe and Michael Balestra, for their guidance and assistance in preparing this report.

Steven Hinshaw, Ph.D.  
Treasurer

Christy Donnelly, Ph.D.  
Superintendent

Vandalia-Butler City School District  
Vandalia, Ohio  
List of Principal Officials  
June 30, 2002

ELECTED OFFICIALS

President, Board of Education  
Vice President, Board of Education  
Board of Education Member  
Board of Education Member  
Board of Education Member

Dr. Mark Forte  
Mrs. Judy Abromowitz  
Mrs. Susie Betts  
Mr. Denny Dyer  
Mr. Doug Mangen

ADMINISTRATIVE OFFICIALS

Superintendent  
Treasurer  
Assistant Superintendent  
Director of Business Operations  
Director of Educational Technology  
Director of Human Resources  
Director of Learning and School Improvement  
Director of Pupil Personnel

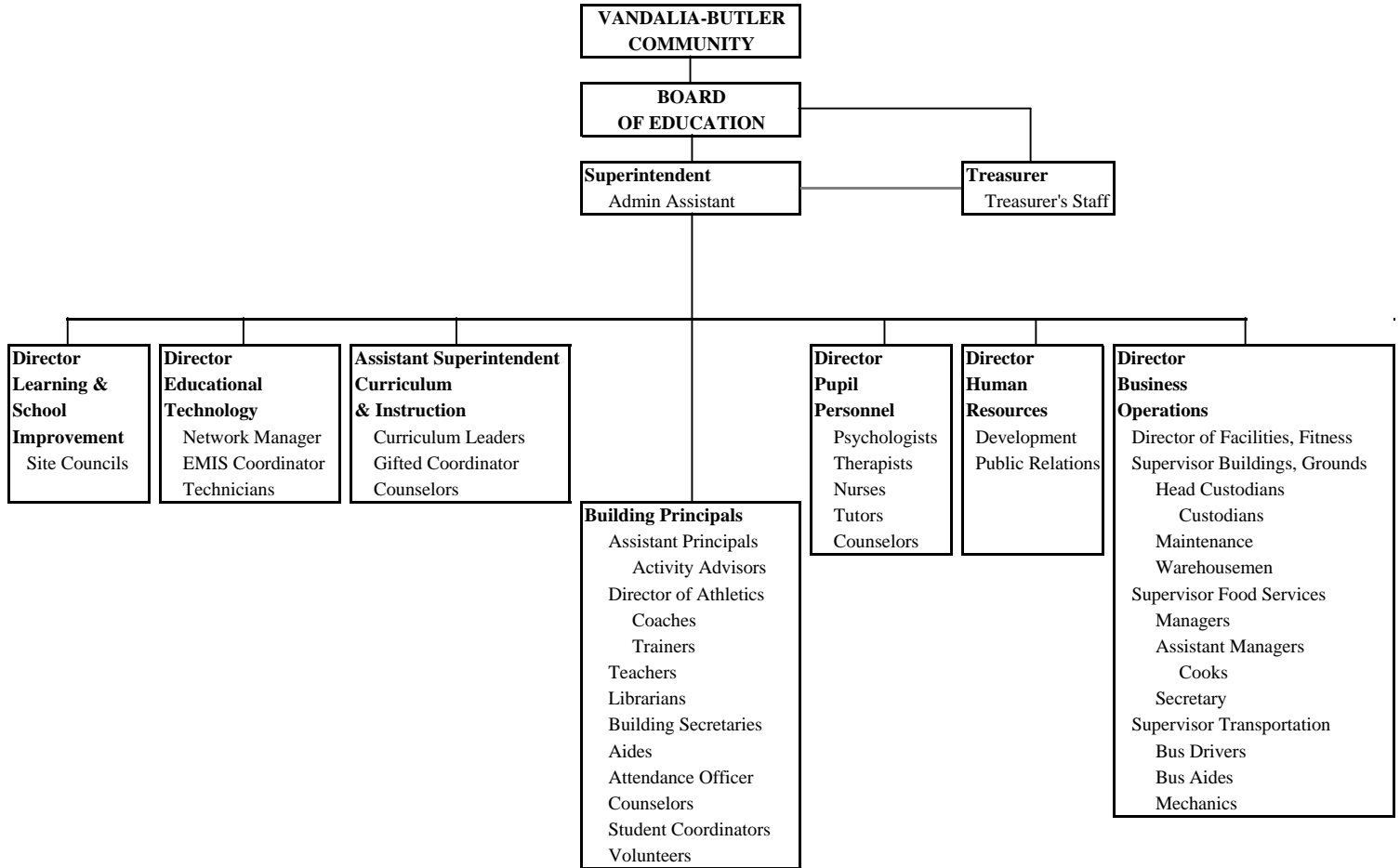
Dr. Christy Donnelly  
Dr. Steven Hinshaw  
Dr. Yasmin Sharif  
Mr. Chuck Stewart  
Dr. Richard Weber  
Mr. Steven Martin  
Dr. Connie Strehle  
Mr. James Sicnolf

OFFICE OF THE TREASURER

Treasurer  
Assistant to Treasurer  
Payroll Supervisor  
Accounting Clerk  
Accounting Clerk

Dr. Steven Hinshaw  
Mrs. Sharon Harrison  
Mrs. Betty Spencer  
Mrs. Sheri Zugelder  
Mrs. Sharon Elliott

Vandalia-Butler City School District  
 Vandalia, Ohio  
 Organizational Chart  
 June 30, 2002



## **Financial Section**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Vandalia-Butler City School District  
Montgomery County  
306 South Dixie Drive  
Vandalia, Ohio 45377-2189

To the Board of Education

We have audited the accompanying financial statements of the governmental activities, major fund and the aggregate remaining fund information of the Vandalia-Butler City School District, Montgomery County, (the District) as of and for the year ended June 30, 2002, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund and the aggregate remaining fund information of the District, as of June 30, 2002, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended June 30, 2002, the District implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2003, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and statistical tables are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects, in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.



**BETTY MONTGOMERY**  
Auditor of State

March 10, 2003



Vandalia-Butler City School District  
Vandalia, Ohio  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2002

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Vandalia-Butler City School District's (the District) discussion and analysis of the annual financial reports provides a review of the financial performance for the fiscal year ended June 30, 2002. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standard Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued June, 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not available. Subsequent reports will include the comparative information.

**FINANCIAL HIGHLIGHTS**

- The District's assets exceeded its liabilities at June 30, 2002 by \$17,403,970.
- The District's net assets of governmental activities increased \$2,277,454 which represents a 15 percent increase from 2001.
- General revenues accounted for \$26,590,634 in revenue or 90 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,980,700 or 10 percent of total revenues of \$29,571,334.
- The District had \$27,293,880 in expenses related to governmental activities; only \$2,980,700 of these expenses was offset by program specific charges for services, grants, or contributions.

**USING THIS ANNUAL FINANCIAL REPORT**

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the Vandalia-Butler City School District's financial situation as a whole and also give a detailed view of the District's financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column.

Vandalia-Butler City School District  
Vandalia, Ohio  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2002

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**REPORTING THE DISTRICT AS A WHOLE**

The analysis of the District as a whole begins with the Statement of Net Assets and the Statement of Activities. These reports provide information that will help the reader to determine whether the District is financially improving or declining as a result of the year's financial activities. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets and changes to those assets. This change informs the reader whether the District's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the user of these financial statements needs to take into account non-financial factors that also impact the District's financial well-being. Some of these factors include the District's tax base, current property tax laws in Ohio restricting revenue growth, the condition of capital assets, and required educational programs.

In the Statement of Net Assets and the Statement of Activities, the District has only one kind of activity.

- **Governmental Activities.** All of the District's programs and services are reported here including instruction, support services, operation and maintenance of capital assets, pupil transportation, and extracurricular activities.

**REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS**

**Fund Financial Statements**

The analysis of the District's funds begins on page 7. Fund financial statements provide detailed information about the District's major funds – not the District as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Treasurer with approval from the Board to help control, manage and report money received for a particular purpose or to show that the District is meeting legal responsibilities for use of grants. The Vandalia-Butler City School District's only major fund is the General fund.

**Governmental Funds.** All of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to financial educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Vandalia-Butler City School District  
Vandalia, Ohio  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2002

**THE DISTRICT AS A WHOLE**

As stated previously, the Statement of Net Assets provides the perspective of the District as a whole. Table 1 provides a summary of the District's net assets for 2002 compared to 2001.

Table 1  
Net Assets

	2002	2001
Assets:		
Current Assets	\$36,204,375	\$33,216,515
Capital Assets, Net	6,379,115	6,542,259
Total Assets	42,583,490	39,758,774
Liabilities:		
Current and Other Liabilities	21,814,624	21,183,752
Long-Term Liabilities	3,364,896	3,448,506
Total Liabilities	25,179,520	24,632,258
Net Assets:		
Invested in Capital Assets, Net of Related Debt	4,573,073	4,792,259
Restricted	1,017,219	(254,539)
Unrestricted	11,813,678	10,588,796
Total Net Assets	\$17,403,970	\$15,126,516

Total net assets of the District as a whole increased \$2,277,454.

Vandalia-Butler City School District  
Vandalia, Ohio  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2002

Table 2 shows the changes in net assets for the fiscal year ended June 30, 2002. Since this is the first year the District has prepared financial statements following GASB Statement No. 34, revenue and expense comparison to fiscal year 2001 are not available.

Table 2  
Change in Net Assets

	2002
Revenues	
Program Revenues:	
Charges for Services	\$1,717,195
Operating Grants and Contributions	1,263,505
Total Program Revenues	2,980,700
General Revenues:	
Property Taxes	18,818,568
Grants and Entitlements	5,749,985
Investment Earnings	608,935
Other	1,413,146
Total General Revenues	26,590,634
Total Revenues	29,571,334
Program Expenses	
Instruction	
Regular	12,774,549
Special	1,977,119
Vocational	337,788
Other	1,424,730
Support Services	
Pupil	1,282,535
Instructional	969,693
Administration	1,747,480
Business & Fiscal	859,390
Maintenance	2,070,661
Pupil Transportation	1,079,505
Other	732,740
Operation of Non-Instructional Services	1,209,458
Extracurricular Activities	662,700
Interest & Fiscal Charges	165,532
Total Expenses	27,293,880
Net Assets at Beginning of Year	15,126,516
Increase (Decrease) in Net Assets	2,277,454
Net Assets at End of Year	\$17,403,970

Vandalia-Butler City School District  
Vandalia, Ohio  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2002

**Governmental Activities**

Property taxes comprised 64 percent of revenue for governmental activities of the Vandalia-Butler City School District for fiscal year 2002 and represents the largest source of revenue. Since 1993, property tax revenue has increased 14.31%.

Grants and entitlements comprised 20 percent of revenue for governmental activities during 2002. Since 1993, grants and entitlements revenue has increased 40%.

As indicated by governmental program expenses, total instruction is emphasized. Total instruction comprised 60 percent of governmental program expenses with support services comprising 40 percent of governmental expenses. The Board of Education relies on taxes to support increased student achievement within the school district.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements. Comparisons to 2001 have not been made since they are not available.

Table 3  
Total and Net Cost of Program Services  
Governmental Activities

	2002	
	Total Cost of Services	Net Cost of Services
Instruction	\$16,514,186	\$(15,835,373)
Support Services	8,742,004	(7,940,030)
Operation of Non-instructional Services	1,209,458	(17,928)
Extracurricular Activities	662,700	(354,335)
Interest and Fiscal Charges	165,532	(165,514)
Total Expenses	\$27,293,880	\$(24,313,180)

**THE DISTRICT'S FUNDS**

Information about the District's major governmental funds begins on page 12. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$29,804,909 and expenditures and other financial uses of \$27,854,275. The net change in fund balance for the year was most significant in the General fund.

The fund balance of the General Fund increased by \$2,127,093. This increase was primarily due to the District receiving proceeds from the sale of Anthem Insurance, Inc. stock and a one-time payment in lieu of taxes.

Vandalia-Butler City School District  
Vandalia, Ohio  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2002

**General Fund Budgeting Highlights**

The District's budget is adopted on a fund basis. Before the budget is adopted, the Board of Education reviews the detailed work papers of each object within the General Fund and then adopts the budget on a fund basis.

During 2002, there was one revision to the General Fund budget. In part, the revision added \$707,000 to the appropriations to account for the implementation of the District's Strategic Plan. Within each departmental unit, an administrator may make small line item adjustments within the budget, as long as the total amount does not exceed their original budget allowance. The District's ending unobligated cash balance was \$759,690 above the final budgeted amount.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2002, the District had \$6,379,115 invested in land, buildings, equipment, and vehicles. Table 4 shows the fiscal year 2002 balances compared to 2001.

Table 4  
Capital Assets  
(Net of Accumulated Depreciation)

	2002	2001
Land	\$577,379	\$577,379
Buildings and Improvements	4,749,144	4,778,250
Furniture and Equipment	672,403	696,632
Vehicles	380,189	489,998
<b>Totals</b>	<b>\$6,379,115</b>	<b>\$6,542,259</b>

Changes in capital assets from the prior year resulted from additions and depreciation. The most significant capital asset addition was the purchase of a telephone system.

Vandalia-Butler City School District  
Vandalia, Ohio  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2002

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**Debt**

At June 30, 2002, the District had \$1,500,000 in bonds outstanding with \$250,000 due within one year. Table 5 summarizes the bonds outstanding:

Table 5  
Outstanding Debt at Year End

Governmental Activities

	2002	2001
1984 General Obligation Bonds	<u>\$1,500,000</u>	<u>\$1,750,000</u>

The General Obligation Bonds were issued March 1, 1984 in the amount of \$5,450,000. The voted general obligation bonds were issued for the purpose of constructing a new Student Activity Center at the high school. The final payment is due in fiscal year 2008.

At June 30, 2002 the District's overall legal debt margin was \$56,094,072 with an unvoted debt margin of \$632,121.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the District's financial and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Steven Hinshaw, Treasurer, Vandalia-Butler City School District, 306 South Dixie Drive, Vandalia, Ohio 45377.

# **Basic Financial Statements**



**Vandalia-Butler City School District**  
**Statement of Net Assets**  
*as of June 30, 2002*

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Equity in Pooled Cash and Cash Equivalents	\$13,427,941
Investments	3,091,379
Receivables	
Taxes	19,226,412
Accounts	42,799
Intergovernmental	415,844
Capital Assets, Net	6,379,115
<i>Total Assets</i>	42,583,490
<b>Liabilities</b>	
Accounts Payable	711,848
Accrued Wages and Benefits	3,127,038
Claims Payable	84,163
Accrued Interest Payable	12,021
Deferred Revenue	17,227,948
Intergovernmental Payable	651,606
Long-Term Liabilities:	
Due Within One Year	462,837
Due In More Than One Year	2,902,059
<i>Total Liabilities</i>	25,179,520
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	4,728,917
Restricted for:	
Other Purposes	1,017,219
Unrestricted (Deficit)	11,657,834
<i>Total Net Assets</i>	\$17,403,970

The notes to financial statements are an integral part of this statement.

**Vandalia-Butler City School District**  
**Statement of Activities**  
For the Fiscal Year Ended June 30, 2002

	Program Revenues			Total
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	
<b>Governmental Activities</b>				
Instruction:				
Regular	\$12,774,549	\$178,908	\$229,107	(\$12,366,534)
Special	1,977,119	4,225	237,057	(1,735,837)
Vocational	337,788	794	1,938	(335,056)
Other	1,424,730	3,331	23,453	(1,397,946)
Support Services:				
Pupil	1,282,535	2,702	167,716	(1,112,117)
Instructional Staff	969,693	278,186	150,341	(541,166)
Administration	1,747,480	3,886	132,280	(1,611,314)
Business and Fiscal	859,390	2,019	4,931	(852,440)
Operation and Maintenance of Plant	2,070,661	10,581	15,840	(2,044,240)
Pupil Transportation	1,079,505	2,536	6,194	(1,070,775)
Other	732,740	1,968	22,794	(707,978)
Non-Instructional Services	1,209,458	920,229	271,301	(17,928)
Extracurricular Activities	662,700	307,825	540	(354,335)
Interest and Fiscal Charges	165,532	5	13	(165,514)
<i>Total Governmental Activities</i>	27,293,880	1,717,195	1,263,505	(24,313,180)

**General Revenues**

Property Taxes Levied for:

General Purposes	18,354,537
Debt Service	464,031
Grants and Entitlements not Restricted to Specific Programs	5,749,985
Investment Earnings	608,935
Miscellaneous	1,413,146

*Total General Revenues* 26,590,634

Change in Net Assets 2,277,454

*Net Assets Beginning of Year - (See Note 3)* 15,126,516

*Net Assets End of Year* \$17,403,970

The notes to the financial statements are an integral part of this statement.

**Vandalia-Butler City School District**  
**Balance Sheet**  
**Governmental Funds**

as of June 30, 2002

	<b>General</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$11,827,711	\$1,600,230	\$13,427,941
Investments	3,091,379	0	3,091,379
Receivables :			
Taxes	18,753,817	472,595	19,226,412
Accounts	42,799	0	42,799
Intergovernmental Receivable	0	415,844	415,844
Interfund Loans Receivable	68,000	0	68,000
<b>Total Assets and Other Debits</b>	<b>33,783,706</b>	<b>2,488,669</b>	<b>36,272,375</b>
<b>LIABILITIES</b>			
Accounts Payable	650,386	61,462	711,848
Accrued Wages and Benefits	3,004,302	122,736	3,127,038
Compensated Absences	84,163	0	84,163
Deferred Revenues	17,837,537	825,115	18,662,652
Interfund Loans Payable	0	68,000	68,000
Intergovernmental Payable	349,965	19,951	369,916
<b>Total Liabilities</b>	<b>21,926,353</b>	<b>1,097,264</b>	<b>23,023,617</b>
<b>FUND BALANCES</b>			
Reserved for Encumbrances	1,144,214	97,252	1,241,466
Reserved for Property Taxes	916,280	31,064	947,344
Unreserved			
Undesignated - Reported In			
General Fund	9,796,859	0	9,796,859
Special Revenue Funds	0	593,279	593,279
Debt Service Fund	0	702,810	702,810
Capital Projects Fund	0	(33,000)	(33,000)
<b>Total Fund Balances</b>	<b>11,857,353</b>	<b>1,391,405</b>	<b>13,248,758</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$33,783,706</b>	<b>\$2,488,669</b>	<b>\$36,272,375</b>

The notes to the financial statements are an integral part of this statement.

**Vandalia-Butler City School District**  
**Reconciliation of Total Governmental Fund Balances to**  
**Net Assets of Governmental Activities**  
*June 30, 2002*

<b>Total Governmental Fund Balances</b>		\$ 13,248,758
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		6,379,115
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Taxes	1,051,120	
Intergovernmental	383,584	
Total		1,434,704
Intergovernmental payable includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds		(281,690)
Long-Term Liabilities, including bonds, capital lease obligations, long-term portion of compensated absences are not due and payable in the current period and therefore are not reported in the funds.		
Compensated Absences	(1,714,698)	
Interest Payable	(12,021)	
Capital Lease Obligations	(150,198)	
General Obligation Bonds	(1,500,000)	
Total		(3,376,917)
<b>Net Assets of Governmental Activities</b>		<b>\$ 17,403,970</b>

The notes to the financial statements are an integral part of this statement.

**Vandalia-Butler City School District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**

For the Fiscal Year Ended June 30, 2002

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Taxes	\$18,383,508	\$462,798	\$18,846,306
Tuition and Fees	57,371	398,330	455,701
Earnings on Investments	608,935	0	608,935
Intergovernmental	5,701,273	788,524	6,489,797
Charges for Services	0	669,262	669,262
Extracurricular	0	592,232	592,232
Rentals	111,741	0	111,741
Donations	140,109	0	140,109
Other	1,284,309	14,961	1,299,270
Total Revenues	<u>26,287,246</u>	<u>2,926,107</u>	<u>29,213,353</u>
Expenditures			
Current Operating			
Instruction			
Regular	11,771,196	294,886	12,066,082
Special	1,767,633	179,325	1,946,958
Vocational	319,744	0	319,744
Other Instruction	1,417,448	7,170	1,424,618
Pupil Support Services	1,140,741	132,272	1,273,013
Instructional Support Services	627,921	349,565	977,486
Administration	1,741,772	93,593	1,835,365
Business and Fiscal Services	878,034	0	878,034
Operation and Maintenance of			
Plant Services	2,388,367	21,539	2,409,906
Transportation Services-Pupils	954,944	0	954,944
Other Support Services	635,202	42,901	678,103
Extracurricular Activities	59,532	568,830	628,362
Non-Instructional Services	18,286	1,178,338	1,196,624
Capital Outlay	339,953	68,325	408,278
Debt Service			
Principal	189,755	250,000	439,755
Interest	2,245	165,290	167,535
Total Expenditures	<u>24,252,773</u>	<u>3,352,034</u>	<u>27,604,807</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,034,473	(425,927)	1,608,546
Other Financing Sources (Uses)			
Operating Transfers In	0	249,468	249,468
Operating Transfers Out	(249,468)	0	(249,468)
Inception of Capital Lease	339,953	0	339,953
Proceeds from the Sale of Assets	2,135	0	2,135
Total Other Financing Sources (Uses)	<u>92,620</u>	<u>249,468</u>	<u>342,088</u>
Net Change in Fund Balances	2,127,093	(176,459)	1,950,634
Fund Balances at Beginning of Year - (See Note 3)	<u>9,730,260</u>	<u>1,567,864</u>	<u>11,298,124</u>
Fund Balances at End of Year	<u>\$11,857,353</u>	<u>\$1,391,405</u>	<u>\$13,248,758</u>

The notes to the financial statements are an integral part of this statement.

**Vandalia-Butler City School District**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
*For the Fiscal Year Ended June 30, 2002*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	1,950,634
<b>Amounts reported for governmental activities in the statement of activities are different because:</b>		
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 depreciation exceeded capital outlays in the current period.		
Capital Asset Additions	558,897	
Current Year Depreciation	(722,041)	
Total	(163,144)	(163,144)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Taxes	(27,738)	
Intergovernmental	383,584	
Total	355,846	355,846
New capital lease obligations in the statement of revenues, expenditures and changes in fund balances that are reported as other financing sources are not reported as revenues in the statement of activities.		
		(339,953)
Repayment of bond principal are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net assets and does not result in an expense in the statement of activities.		
		250,000
Repayment of capital leases obligations are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net assets and does not result in an expense in the statement of activities.		
		189,755
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Increase in Compensated Absences	(16,272)	
Decrease in Interest Payable	2,003	
Decrease in Intergovernmental Payable	48,585	
Total	34,316	34,316
<b>Net Change in Net Assets of Governmental Activities</b>	<b>\$</b>	<b><u>2,277,454</u></b>

The notes to the financial statements are an integral part of this statement.

**Vandalia-Butler City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2002**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget: Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Total Revenues and Other Sources	\$23,408,858	\$26,328,022	\$26,330,023	\$2,001
Total Expenditures and Other Uses	<u>24,158,793</u>	<u>26,660,393</u>	<u>25,886,691</u>	<u>773,702</u>
Net Change in Fund Balance	(749,935)	(332,371)	443,332	775,703
Fund Balance, July 1	<u>12,483,458</u>	<u>12,483,458</u>	<u>12,483,458</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$11,733,523</u></u>	<u><u>\$12,151,087</u></u>	<u><u>\$12,926,790</u></u>	<u><u>\$775,703</u></u>

The notes to the financial statements are an integral part of this statement.

**Vandalia-Butler City School District**

*Statement of Fiduciary Net Assets*

Agency Fund

As of June 30, 2002

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	<u>Agency</u>
<b>ASSETS</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$89,372</u>
Total Assets	<u><u>89,372</u></u>
 <b>LIABILITIES</b>	
Due to Students	<u>89,372</u>
Total Liabilities	<u><u>\$89,372</u></u>

The notes to the financial statements are an integral part of this statement.



VANDALIA-BUTLER CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**1. DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY**

**The School District**

Vandalia-Butler City School District (the School District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. This Board of Education controls the School District's nine instructional/support facilities staffed by 190 non-certified and 245 certificated full time teaching personnel who provide services to 3,466 students and other community members.

**Reporting Entity**

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For Vandalia-Butler City School District, this includes general operations, food service, preschool and student related activities of the School District. The following activities are also included within the reporting entity:

Parochial schools within the School District boundaries - Saint Christopher School is operated through the Cincinnati Catholic Diocese. Current State legislation provides funding to this parochial school. These monies are received and disbursed on behalf of the parochial school by the treasurer of the School District, as directed by the parochial school. The activity of these State monies by the School District is reflected in a special revenue fund for financial reporting purposes.

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 also include organizations that are fiscally dependent on the School District in that the School District approves the organization's budget, the issuance of its debt or the levying of its taxes. Currently, the School District does not have any component units.

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

*City of Vandalia* – The city government of Vandalia is a separate body politic and corporate. A mayor and a council are elected independent of any School District relationships and administer the provision of traditional city services. Council acts as the taxing and budgeting authority for city services.

*Butler Township* – The township government is also a separate body politic and corporate. A three member Board of Trustees are elected independent of any School District relationships and administer the provision of traditional township services. The Trustees act as the taxing and budgeting authority for township services.

*Parent Teacher Association* – The School District is not involved in the budgeting or management and is not responsible for any debt and has no influence over the organization.

VANDALIA-BUTLER CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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

The School District is associated with the Southwestern Ohio Educational Purchasing Council, the Miami Valley Career Technology Center, and the Southwestern Ohio Instructional Technology Association, which are defined as jointly governed organizations and the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), which is an insurance purchasing pool. These organizations are discussed in Notes 17 and 18 to the financial statements.

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

**Fund Accounting**

The School District's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific School District's functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts.

**Governmental Funds**

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose 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 is the School District's major governmental fund:

**General Fund**

The General Fund is the general 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 is available to the School District for any purpose provided it is expended or transferred according to the school laws of Ohio.

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

**Fiduciary Funds**

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. The School District's only fiduciary funds are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide statements.

**Basis of Presentation**

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

VANDALIA-BUTLER CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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

**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 statement of net assets presents the financial condition of governmental activities of the School District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly 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. 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** – During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of fund 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.

**Measurement Focus**

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets. The Statement of Activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net assets.

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

**Basis of Accounting**

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

VANDALIA-BUTLER CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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

**Revenues – Exchange and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined, and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of year-end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditures requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

**Deferred Revenue**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2002, but which were levied to finance fiscal year 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

**Expenses/Expenditures**

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

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 (1) principal and interest on general long-term debt and capital lease obligations, which is recorded when due, (2) the costs of accumulated unpaid vacation, personal leave and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees, (3) the costs related to the workers compensation retrospective rating program are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period the costs were incurred. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

VANDALIA-BUTLER CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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

**Budgetary Process**

All funds, other than the agency funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2002.

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

**Encumbrances**

Encumbrance accounting is utilized by the School District for all funds in the normal course of operations for purchase orders and contract related expenditures. An encumbrance is a reserve on the available spending authority due to a commitment for a future expenditure and does not represent a liability. On the fund financial statements encumbrances outstanding at fiscal year-end are reported as a reservation of fund balance for subsequent year expenditures for governmental funds. A reserve for encumbrances is not reported on the government-wide financial statements. Encumbrances are reported as part of expenditures/expenses on a non-GAAP budgetary basis in the Required Supplemental Information.

**Cash and Investments**

Cash received by the School District is deposited into one of several bank accounts with individual fund balance integrity maintained. Balances of all funds are maintained in these accounts or are temporarily used to purchase certificates of deposit or investments. All investment earnings accrue to the General Fund except those specifically related to those funds deemed appropriate according to Board of Education policy. Interest earned amounted to \$608,935 which was all recorded in the General Fund.

The School District records all its investments at fair value. For presentation on the balance sheet, investments of the cash management pool are considered to be cash equivalents. The School District has invested in the State Treasury Asset Reserve of Ohio (STAR Ohio), Federal Home Loan Bank Bonds, Fifth Third Bank's Liquid Asset Management Account and repurchase agreements during fiscal year 2002. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2002.

VANDALIA-BUTLER CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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

**Cash and Investments (Continued)**

Investments with original maturities of three months or less at the time they are purchased by the School District are reported as cash equivalents.

**Inventory**

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. Inventory consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure when purchased.

**Capital Assets and Depreciation:**

All capital assets of the School District are general capital assets that are associated with governmental activities. General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$1,000. 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.

All reported capital assets except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	10-25 years
Building and Improvements	10-50 years
Furniture and Equipment	5-20 years
Vehicles	7-15 years

Estimated historical costs for governmental activities capital asset values were initially determined on October 7, 2002 by utilizing the services of Valuation Engineers, Inc. All capital assets had estimated historical costs developed by indexing estimated current costs back to the estimated year of acquisition.

**Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivables" and "Interfund Payables." These amounts are eliminated in the governmental activities column of the statement of net assets.

VANDALIA-BUTLER CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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

**Compensated Absences**

Vacation and personal leave benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate its employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive severance benefits and those the School District has identified as probable of receiving payment in the future. The School District records an accrual for sick leave for all employees with ten years or more of service. The accrual amount is based upon accumulated sick leave and employees' wage rates at year-end, taking into consideration any limits specified in the School District's severance policy.

The entire compensated absence liability is reported on the government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employee will be paid.

**Accrued Liabilities and Long-Term Obligations**

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

In general, governmental fund payables and accrued liabilities, that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term loans, and capital leases are recognized as a liability on the government-wide financial statements when due.

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements 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.

**Fund Balance Reserves**

Reserved fund balances indicate that portion of fund equity, which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances and property tax revenue reserved by the Board for future year's appropriations. The reserve for property tax represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The unreserved, undesignated portions of fund equity reflected for Governmental Funds are available for use within the specific purpose of those funds.

VANDALIA-BUTLER CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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

**Interfund Transactions**

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

**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 on the financial statements and accompanying notes. Actual results may differ from those estimates.

**3. CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCE**

**Changes in Accounting Principles**

For fiscal year 2002, the School District has presented for the first time financial statements in accordance with generally accepted accounting principles (GAAP). In conjunction with this presentation, the School District has changed its basis of accounting from the cash basis to the GAAP basis. The School District also early implemented Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments", GASB Statement No. 37, "Basic Financial Statements for State and Local Governments: Omnibus", GASB Statement No. 38, "Certain Financial Statement Note Disclosures", and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Government Fund Financial Statements." GASB Statement No. 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 beginning net assets amount for government programs reflects the change in fund balance for governmental funds at June 30, 2001, caused by the conversion to the accrual basis of accounting.

The implementation of these Statements and the change from cash to GAAP basis reporting required that certain adjustments be recorded to the June 30, 2001, fund balances of major and nonmajor funds of the School District as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.



VANDALIA-BUTLER CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**3. CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCE (Continued)**

	<u>General</u>	<u>Nonmajor</u>	<u>Total</u>
Fund Balances, June 30, 2001	\$12,483,457	\$1,730,470	\$14,213,927
Adjustments necessary to comply with GAAP	<u>(2,753,197)</u>	<u>(162,606)</u>	<u>(2,915,803)</u>
Restated Fund Balances, June 30, 2001	<u>\$9,730,260</u>	<u>\$1,567,864</u>	<u>\$11,298,124</u>
Adjustments necessary to comply with GASB 34:			<u>3,828,392</u>
Government Activities Net Assets, June 30, 2001			<u>\$15,126,516</u>

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

**Accountability**

The Title VI-B Fund, Title I Fund, Title VI Fund, Title VI-R Fund, and Miscellaneous Federal Grant special revenue funds had deficit fund balances of \$477, \$78,208, \$2,342, \$14,805, and \$5,526 respectively. The General Fund provides transfers when cash is required, not when expenditures are incurred.

**Compliance**

The following funds had appropriations in excess of estimated resources plus available balances for the fiscal year ended June 30, 2002:

<u>Fund Type/Fund</u>	<u>Estimated Resources Plus Balances</u>	<u>Appropriations</u>	<u>Amount of Excess</u>
Nonmajor Special Revenue:			
Auxiliary Services	\$278,497	\$280,533	(\$2,036)
Athletics	370,173	469,653	(99,480)
Rotary	442	443	(1)
Teacher Development	10,492	27,492	(17,000)
Ohio Ed Computer Network	23,755	29,555	(5,800)
ESEA Title II	22,045	23,373	(1,328)
Title VI-B	275,728	469,132	(193,404)
Title I	140,800	215,356	(74,556)
Title VI	25,151	36,428	(11,277)
Drug Free Schools Grant	17,409	28,173	(10,764)
E-Rate	8,121	8,545	(424)
Title VI-R	<u>41,330</u>	<u>68,743</u>	<u>(27,413)</u>
Total Nonmajor Special Revenue:	\$1,213,943	\$1,657,426	(\$443,483)
Nonmajor Capital Projects:			
SchoolNet	\$68,325	\$143,325	(\$75,000)

The District did not comply with Ohio Revised Code Section 5705.41(D) requiring the certification of appropriations free from any previous encumbrance prior to the obligation or expenditure of funds.

The District did not comply with Ohio Revised Code Section 5705.41(B). The Athletics Fund had expenditures plus encumbrances in excess of appropriations in the amount of \$70,326.

VANDALIA-BUTLER CITY SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**5. BUDGETARY BASIS OF ACCOUNTING**

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) for the General fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

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

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

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General fund:

Net Change in Fund Balance	
	General
GAAP Basis	\$2,127,093
Adjustments:	
Revenue Accruals	(299,311)
Expenditure Accruals	(2,460,664)
Advances	(68,000)
Encumbrances	1,144,214
Budget Basis	\$443,332

**6. DEPOSITS AND INVESTMENTS**

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

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

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

VANDALIA-BUTLER CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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

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

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

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

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. 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);
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 moneys available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

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

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

VANDALIA-BUTLER CITY SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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

**Cash on Hand**

At year end, the School District had \$2,675 in undeposited cash on hand which is included on the balance sheet of the School District as part of "Equity in Pooled Cash and Cash Equivalents."

**Deposits**

At fiscal year end, the carrying amount of the School District's deposits was \$1,317,591 and the bank balance was \$1,740,237. Of the bank balance \$1,667,279 was covered by federal depository insurance. The remaining balance was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements would potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

**Investments**

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

	Uncategorized	Category 2	Category 3	Carrying/Fair Value
STAR Ohio	\$7,662,539			\$7,662,539
Repurchase Agreements			\$4,534,508	4,534,508
Liquid Asset Management Account			2,641,379	2,641,379
Federal Home Loan Bank Bonds		\$450,000		450,000
<b>Total</b>	<u>\$7,662,539</u>	<u>\$450,000</u>	<u>\$7,175,887</u>	<u>\$15,288,426</u>

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*. Cash and cash equivalents are defined to include investments included within the School District's cash management pool and investments with a maturity date of three months or less.

VANDALIA-BUTLER CITY SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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

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

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$13,517,313	\$3,091,379
Cash on Hand	(2,675)	0
Investments:		
STAROhio	(7,662,539)	7,662,539
Repurchase Agreement	(4,534,508)	4,534,508
	\$1,317,591	\$15,288,426
GASB Statement 3		

**7. PROPERTY TAXES**

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 2002 for real and public utility property taxes represents collections of calendar 2001 taxes. Property tax payments received during calendar 2002 for tangible personal property (other than public utility property) are for calendar 2002 taxes.

2002 real property taxes are levied after April 1, 2002, on the assessed value as of January 1, 2002, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value. First half 2002 real property taxes are collected in and intended to finance fiscal year 2003.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2002 public utility property taxes became a lien December 31, 2001, are levied after April 1, 2002 and are collected in 2003 with real property taxes.

2002 tangible personal property taxes are levied after April 1, 2001, on the value as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are twenty-five percent of true value.

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

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

VANDALIA-BUTLER CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**7. PROPERTY TAXES (Continued)**

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

	2001 Second-Half Collections		2002 First-Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$479,843,510	78%	\$491,429,860	78%
Public Utility	21,562,520	3%	17,621,590	3%
Tangible Personal Property	115,030,410	19%	123,069,976	19%
Total Assessed Value	<u>\$616,436,440</u>	<u>100.00%</u>	<u>\$632,121,426</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$44.86		\$44.66	

The School District receives property taxes from Montgomery 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 which became measurable as of June 30, 2002, and for which there is an enforceable legal claim. 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.

At June 30, 2002, \$916,280 was available as an advance to the general fund and \$31,064 was available in the non-major governmental funds. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis, the revenue is deferred.

**8. RECEIVABLES**

Receivables at June 30, 2002, consisted of property taxes, accounts, and intergovernmental grants. All receivables are considered collectible in full and will be received within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities:	
Food Service	\$32,260
Title II	1,328
Title VI-B	193,404
Title I	126,455
Title VI	14,277
Drug Free Schools	10,764
Miscellaneous Federal Grants	37,356
Total Intergovernmental Receivables	<u>\$415,844</u>

VANDALIA-BUTLER CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**9. CAPITAL ASSETS**

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

	Ending Balance 06/30/01	Additions	Deletions	Ending Balance 06/30/02
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$577,379	0	0	\$577,379
Total Capital Assets, Not Being Depreciated	<u>577,379</u>	<u>0</u>	<u>0</u>	<u>577,379</u>
Capital Assets Being Depreciated				
Buildings and Improvements	13,097,112	339,953	0	13,437,065
Furniture and Equipment	2,800,143	181,111	0	2,981,254
Vehicles	1,803,118	37,833	0	1,840,951
Total Capital Assets, Being Depreciated	<u>17,700,373</u>	<u>558,897</u>	<u>0</u>	<u>18,259,270</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(8,318,862)	(369,059)	0	(8,687,921)
Furniture and Equipment	(2,103,511)	(205,340)	0	(2,308,851)
Vehicles	(1,313,120)	(147,642)	0	(1,460,762)
Total Accumulated Depreciation	<u>(11,735,493)</u>	<u>(722,041)</u>	<u>0</u>	<u>(12,457,534)</u>
Total Capital Assets Being Depreciated, Net	<u>5,964,880</u>	<u>(163,144)</u>	<u>0</u>	<u>5,801,736</u>
Governmental Activities Capital Assets, Net	<u>\$6,542,259</u>	<u>\$(163,144)</u>	<u>\$0</u>	<u>\$6,379,115</u>

\*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$451,974
Support Services:	
Pupil	1,638
Instructional Staff	26,591
Administration	30,160
Operation and Maintenance of Plant	5,798
Pupil Transportation	162,306
Central	72
Non-Instructional Services	10,178
Extracurricular Activities	33,324
Total Depreciation Expense	<u>\$722,041</u>

VANDALIA-BUTLER CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**10. RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. For fiscal year 2002 the School District contracted with Indiana Insurance Company general liability insurance. There is a \$1,000 deductible with a one hundred percent blanket, all risk policy. Indiana Insurance Company covers the building, boiler and machinery with \$1,000 deductible and a \$61,314,861 limit.

Professional liability is protected by Nationwide Agribusiness Insurance Company with a \$1,000,000 single occurrence limit and \$5,000,000 aggregate and no deductible. Vehicles are covered by Nationwide Agribusiness Insurance Company and hold a \$100 deductible for comprehensive and collision. Automobile liability has a \$1,000,000 combined single limit of liability. Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from the previous year.

For fiscal year 2002, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). 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 Districts is calculated as one experience and a common premium rate is applied to all 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 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.

**11. DEFINED BENEFIT PENSION PLANS**

**School Employees Retirement System**

The Vandalia-Butler City School District contributes to the School Employees Retirement System of Ohio (SERS), a cost sharing multiple employer public employee retirement system administered by the School Employees Retirement 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, stand alone report that includes financial statements and required supplementary information for SERS. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

Plan members are required to contribute 9% of their annual covered salary and the Vandalia-Butler City School District is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll. For fiscal year 2002, 5.46% was the portion allocated to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by SERS's Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$523,376, \$479,616 and \$412,854, respectively; 84% has been contributed for fiscal year 2002 and 100% for the fiscal years 2001 and 2000. \$74,352 representing the unpaid contribution for fiscal year 2002.



VANDALIA-BUTLER CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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

**State Teachers Retirement System**

The Vandalia-Butler City School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement 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 issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

For fiscal year 2002 plan members were required to contribute 9.3% of their annual covered salary and the Vandalia-Butler City School District was required to contribute 14%; 9.5% was the portion allocated to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$1,648,307, \$1,715,808 and \$1,561,284, respectively; 83% has been contributed for fiscal year 2002 and 100 percent for the fiscal years 2001 and 2000. \$292,152 represents the unpaid portion for fiscal year 2002.

**Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2002, four members of the Board of Education have elected Social Security. The Board's liability is 6.2% of wages paid.

**12. POSTEMPLOYMENT BENEFITS**

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of the coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. For the fiscal year ended June 30, 2002, the STRS Board allocated employer contributions equal to 4.5% of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$529,813 for fiscal year 2002.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2002, (the latest information available) the balance in the Fund was \$3.,011 billion. For the year ended June 30, 2002, net health care costs paid by STRS were \$354,697,000 and STRS had 105,300 eligible benefit recipients.

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

VANDALIA-BUTLER CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**12. POSTEMPLOYMENT BENEFITS (Continued)**

After the allocation for basic benefits, the remainder of the employer's 14% contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2002, employer contributions to fund health care benefits were 8.54% 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 was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2002 fiscal year equaled \$366,363.

The surcharge, 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 the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2002, were \$182,946,777 and the target level was \$274.4 million. At June 30, 2002, SERS had net assets available for payment of health care benefits of \$335.2 million. SERS has approximately 50,000 participants currently receiving health care benefits.

**13. EMPLOYEE BENEFITS**

**A. Compensated Absences**

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn five to twenty-five days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators who are not on a twelve month contract 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 and not to exceed 255 days. Upon retirement, payment is made for one-fourth of the total sick leave accumulation, up to a maximum accumulation of 55 paid days for certified employees. Classified employees receive twenty-five percent of accrued sick with no maximum paid days.

**B. Insurance Benefits**

The School District provides life insurance and accidental death and dismemberment insurance to most employees through the Educational Employees Life Insurance Trust. Administrators receive coverage in the amount of their salary rounded to the nearest \$1,000. The Treasurer and Superintendent receive coverage twice their salary. Coverage in the amount of \$30,000 is provided for all certified and non-certified employees. Part time employees are covered for \$15,000.

**14. CAPITALIZED LEASES – LESSEE DISCLOSURE**

The School District entered into an agreement to lease a telephone system during fiscal year 2002. The terms of the agreements provide options to purchase the equipment. The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

The capital asset acquired by the lease has been capitalized in the statement of net assets for governmental activities in the amount of \$339,953 which is equal to the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded on the statement of net assets for governmental activities. Principal payments in fiscal year 2002 totaled \$189,755.

VANDALIA-BUTLER CITY SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**14. CAPITALIZED LEASES – LESSEE DISCLOSURE (Continued)**

The asset acquired through the capital lease is as follows:

	Asset Value	Accumulated Depreciation	Net Book Value
Asset:			
Telephone System	\$339,953	\$0	\$339,953

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2002:

Fiscal Year Ending June 30,	Total Payments
2003	\$26,327
2004	26,327
2005	26,327
2006	26,327
2007	26,327
2008-2009	46,072
Total Minimum Lease Payments	177,707
Less: Amount Representing Interest	(27,509)
Present Value of Minimum Lease Payments	\$150,198

**15. LONG-TERM DEBT AND OTHER OBLIGATIONS**

Long-term debt and other obligations at June 30, 2002 and the related transactions for the year then ended are summarized below:

	Balance July 1, 2001	Additions	Deductions	Balance June 30, 2002	Amounts Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Bonds:					
School Improvement Bonds 9.75%	\$ 1,750,000	\$ -	\$ 250,000	\$ 1,500,000	\$ 250,000
Compensated Absences Payable	1,698,426	16,272	-	1,714,698	193,617
Obligations Under Capital Leases	-	339,953	189,755	150,198	19,220
Total Governmental Activities	\$ 3,448,426	\$ 356,225	\$ 439,755	\$ 3,364,896	\$ 462,837

The General Obligation Bonds were issued March 1, 1984 in the amount of \$5,450,000. The voted general obligation bonds were issued for the purpose of constructing a new Student Activity Center at the high school. The final payment is due in fiscal year 2008.

VANDALIA-BUTLER CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**15. LONG-TERM DEBT AND OTHER OBLIGATIONS (Continued)**

**Future Long-term Debt**

A summary of the School District's future long-term debt funding requirements as of June 30, 2002 follows:

<b>Fiscal Year</b>		
<b><u>Ending June 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2003	\$ 250,000	\$ 134,063
2004	250,000	109,687
2005	250,000	85,313
2006	250,000	60,938
2007	250,000	36,563
2008	<u>250,000</u>	<u>12,187</u>
Totals	<u>\$ 1,500,000</u>	<u>\$ 438,751</u>

**16. INTERFUND ACTIVITY**

**Interfund Transfers**

Transfers made during the year ended June 30, 2002, were as follows:

<u>Fund</u>	<u>Transfer From</u>	<u>Transfer To</u>
General	\$249,468	\$0
Athletics	0	249,468
Total	<u>\$249,468</u>	<u>\$249,468</u>

Transfers are made to move unrestricted balances to support programs and projects accounted for in other funds.

Interfund balances at June 30, 2002, consist of the following individual fund receivables and payables, which are expected to be repaid during the 2002 fiscal year:

<b><u>Interfund Loans</u></b>	<b><u>Receivable</u></b>	<b><u>Payable</u></b>
General fund	\$ 68,000	\$ -
Nonmajor Special Revenue Funds		
Title I	-	52,000
Title VI	-	3,000
Title VI-R	<u>-</u>	<u>13,000</u>
Total Nonmajor Special Revenue Funds	-	68,000
Total Interfund Receivables/Payables	<u>\$ 68,000</u>	<u>\$ 68,000</u>

The amounts due to the general fund are the result of the School District moving unrestricted monies to support grant funds whose grants operate on a reimbursement basis. The general fund will be reimbursed when funds become available in the nonmajor special revenue funds.

VANDALIA-BUTLER CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**17. JOINTLY GOVERNED ORGANIZATIONS**

*Southwestern Ohio Educational Purchasing Council* – The Southwestern Ohio Educational Purchasing Council (SOEPC) is a purchasing council made up of nearly 100 Districts in 12 counties. The purpose of the council is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SOEPC.

Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group.

During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the General Fund. During fiscal year 2002, the School District paid \$35,192 to SOEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Robert Brown, who serves as Director, 1831 Harshman Road, Dayton, Ohio 45424.

*Southwestern Ohio Instructional Technology Association* – The Southwestern Ohio Instructional Technology Association (SOITA) is a not-for-profit corporation formed under Section 1702.01 of the Ohio Revised Code. The purpose of the corporation is to serve the educational needs of the area through television programming for the advancement of educational programs.

The Board of Trustees is comprised of twenty-one representatives of SOITA member schools or institutions. Nineteen representatives are elected from within the counties by the qualified members within the counties, i.e. Auglaize, Butler, Champaign, Clark, Clinton, Darke, Fayette, Greene, Hamilton, Logan, Mercer, Miami, Montgomery, Preble, Shelby, and Warren. Montgomery, Greene and Butler Counties elect two representatives per area. All others elect one representative per area. All Superintendents except for those from educational service centers vote on the representatives after nominating committee nominates individuals to run.

One at-large non-public representative is elected by the non-public school SOITA members in the State assigned SOITA service area. One at-large higher education representative is elected by higher education SOITA members from within the State assigned SOITA service area.

All member districts are obligated to pay all fees, charges, or other assessments as established by the SOITA. Upon dissolution, the net assets shall be distributed to the federal government, or to a state or local government, for a public purpose. Payments to SOITA are made from the General Fund. During fiscal year 2002, the School District paid \$64,638 to SOITA. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Steve Strouse, who serves as Director, 150 East Sixth Street, Franklin, Ohio 45005.

*Miami Valley Career Technology Center* – The Miami Valley Career Technology Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the fifteen participating school districts' elected boards, which possesses its own budgeting and taxing authority. One member is appointed from the following city and/or exempted village school districts: Carlisle, Miamisburg, Milton-Union, Northmont, Vandalia-Butler, Versailles, Huber Heights, Eaton, Trotwood, Tipp City, and West Carrollton. Three members are appointed from the Montgomery County Educational Service Center, one is appointed from the Miami County Educational Service Center, one from the Darke County Educational Service Center, and one from the Preble County Educational Service Center. During fiscal year 2002, the School District paid \$200 to the organization. To obtain financial information write to the Miami Valley Career Technology Center, Debbie Gossett, who serves as Treasurer, at 6800 Hoke Road, Clayton, Ohio 45315.

**18. INSURANCE PURCHASING POOL**

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

VANDALIA-BUTLER CITY SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**19. SET-ASIDE CALCULATIONS AND FUND RESERVES**

The School District is required by State statute to annually set aside, in the General Fund, an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition or construction of capital improvements. Amounts not spent by the 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 purpose in future years.

In prior years the School District was also required to set aside money for budget stabilization; however, this requirement has been eliminated.

The following cash basis information describes the change in the year-end set-aside amounts. Disclosure of this information is required by State statute.

	<u>Textbooks</u>	<u>Capital Acquisition</u>
Set-aside cash balance as of June 30, 2001	\$ -	\$ -
Current year set-aside requirements	427,371	427,371
Prior year carryover	(305,376)	(1,167,812)
Qualifying disbursements	(674,109)	(1,107,258)
Set-aside reserve balance as of June 30, 2002	\$ -	\$ -
Required set-aside balances carried forward to FY2003	\$ (552,114)	\$ (1,847,699)

The School District had qualifying disbursements and prior year carryover balances that reduced the textbooks and capital acquisition set-aside amounts below zero. These negative amounts may be used to reduce the set-aside requirements of future years.

**20. CONTINGENT LIABILITIES**

**Grants**

The School District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies.

Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the School District at June 30, 2002.

**Litigation**

The School District is not currently party to any legal proceedings.

VANDALIA-BUTLER CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

**21. STATE SCHOOL FUNDING DECISION**

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...". The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations

**COMBINING AND  
INDIVIDUAL FUND  
FINANCIAL  
STATEMENTS AND  
SCHEDULES**



**Vandalia-Butler City Schools  
Fund Descriptions**

**Special Revenue Funds**

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purposes. The following are descriptions of the School District's nonmajor special revenue funds:

*Nonmajor Special Revenue Funds*

Food Service

A fund to account for all transactions related to the provision of food service operations for the School District.

Special Trust Fund

A fund used to account for revenues and expenditures of the Gilbert Scholarship.

Uniform Supply Fund

A fund to account for the purchase and reimbursement of consumable supplies (workbooks) used by the students as a supplemental learning tool.

Adult Education

A fund provided to account for all revenues and expenses related to the provision of credit and non-credit classes to the community.

Rotary - Special Services

A fund to account for income and expenses made in connection with goods and services provided by a school district.

Public School Support

A fund provided to account for special local revenue sources such as vending machine receipts. Revenues are used to fund special events and purchase achievement awards.

Other Grants

A fund used to account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

Latchkey

A fund established to account for the tuition received and expenses made in securing an after-school latchkey program for students of the School District.

School Improvement Models

A fund established to account for venture capital grants.

Athletics

A fund provided to account for those student activity programs which charge admission. Most expenditures include referee and security compensations, equipment and supplies needed to run a successful athletic program.

Auxiliary Services

To account for monies which provide services and materials to pupils attending non-public schools within the School District.

**Vandalia-Butler City Schools**  
**Fund Descriptions**

*Nonmajor Special Revenue Funds (Continued)*

Career Education

A fund provided to account for monies received and expended in conjunction with Vocational education-Career Development projects funded by the State of Ohio, Department of Education, Division of Vocational Education.

Teacher Development

A fund used to account for receipts and expenditures necessary for providing assistance to local school districts for the development of in-service programs.

Vocational Equipment

A fund established to account for receipts and expenditures involved in the replacement or updating of equipment essential for the instruction of students in job skills.

Management Information Systems

A fund to account for hardware and software development, utilities, materials and supplies, or other costs associated with the requirements of the management information system.

Ohio Educational Computer Network

A fund provided to account for money appropriated for Ohio Educational Computer Network Connections.

School Net Professional Development

A fund to account for grant monies to be used for the provision of hardware, software, telecommunication services, and staff development to support educational uses of technology in the classroom.

Textbook/Instructional Materials Subsidy

A fund used to account for monies appropriated to purchase textbooks and instructional materials for the classrooms.

Intervention Video Learning

A fund used to account for State money used to finance the interactive video distance learning project.

Ohio Reads

A fund used to account for monies received from the State of Ohio for the purpose of implementing community involvement with students in the elementary grades to supplement and enhance the reading proficiency of students.

Summer Intervention

A fund used to account for summer intervention services satisfying criteria defined in division (E) of section 3313.608 of the Revised Code.

Extended Learning Grant

A fund to account for educational programs for children most at-risk of not passing the reading portion of the fourth grade proficiency exam.

**Vandalia-Butler City Schools**  
**Fund Descriptions**

*Nonmajor Special Revenue Funds (Continued)*

Miscellaneous State Grants

A fund used to account for various monies received from state agencies which are not classified elsewhere. A separate special cost center must be used for each grant.

ESEA Title II Fund

This fund is to account for Federal monies received through the Ohio Department of Education for the purpose of improving the skills of teachers (science, foreign language and computer learning) and increasing the access of all students to that instruction.

Title VI-B Fund

This fund accounts for federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels, and to assist in the training of teacher, supervisors and other specialists in providing educational services to the handicapped.

Title I

A fund to provide financial assistance to State and Local educational agencies to meet the special needs of educationally deprived children.

Education Career Incentive Act (ECIA) - Title VI

A fund to account for federal funds used to provide programs for at-risk students; instructional materials to improve the quality of instruction; programs of professional development; and programs to enhance personal excellence of students and student achievement.

Drug-Free Schools Grant

A fund to provide monies to local educational agencies and consortia of these agencies to establish, operate and improve local programs of drug abuse prevention, early intervention, rehabilitation referral and education in elementary and secondary schools, and to engage in development, training, technical assistance and coordination activities.

Preschool Handicapped Grant

A fund used to provide for the education of handicapped children ages three through five, and account for the monies received and expended for the purpose of this grant.

Telecommunications Act Grant (E-Rate)

To account for monies refunded from telecommunications vendors. This money will be used to pay future telecommunications bills or will be transferred to the General Fund.

Title VI-R

A fund used to account for monies to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants

A fund used to account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. A separate special cost center must be used for each grant.

**Vandalia-Butler City Schools  
Fund Descriptions**

*Nonmajor Debt Service Fund*

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general obligations bond principal and interest and certain other long-term obligations when the School District is obligated for the payment. There is only one debt service fund.

*Capital Project Fund*

The Capital Projects Fund is used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, and for major renovation projects including equipment purchases. The following is a description of the School District's nonmajor capital project fund:

*Nonmajor Capital Project Fund*

SchoolNet

To account for State grant monies used for the installation of wiring and the purchase of a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.



**Vandalia-Butler City School District**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (by fund type)**  
June 30, 2002

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Projects Fund</b>	<b>Total Non-major Governmental Funds</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$897,086	\$703,144	\$0	\$1,600,230
Receivables				
Taxes	0	472,595	0	472,595
Intergovernmental Receivable	415,844		0	415,844
Total Assets and Other Debits	<u>1,312,930</u>	<u>1,175,739</u>	<u>0</u>	<u>2,488,669</u>
<b>LIABILITIES</b>				
Accounts Payable	61,128	334	0	61,462
Accrued Wages and Benefits	122,736	0	0	122,736
Interfund Payable	68,000	0	0	68,000
Deferred Revenues	383,584	441,531	0	825,115
Intergovernmental Payable	19,951	0	0	19,951
Total Liabilities	<u>655,399</u>	<u>441,865</u>	<u>0</u>	<u>1,097,264</u>
<b>FUND BALANCES</b>				
Reserved for Encumbrances	64,252	0	33,000	97,252
Reserved for Property Taxes	0	31,064	0	31,064
Unreserved				
Undesignated - Reported In				
Special Revenue Funds	593,279	0	0	593,279
Capital Projects Fund	0	0	(33,000)	(33,000)
Debt Service Fund	0	702,810	0	702,810
Total Fund Balances	<u>657,531</u>	<u>733,874</u>	<u>0</u>	<u>1,391,405</u>
Total Liabilities and Fund Balances	<u>\$1,312,930</u>	<u>\$1,175,739</u>	<u>\$0</u>	<u>\$2,488,669</u>

**Vandalia-Butler City School District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds (by fund type)**

Year Ended June 30, 2002

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Non-major Governmental Funds
<b>Revenues</b>				
Tuition and Fees	\$398,330	\$0	\$0	\$398,330
Taxes	0	462,798	0	462,798
Intergovernmental	739,812	48,712	0	788,524
Extracurricular	592,232	0	0	592,232
Charges for Services	669,262			669,262
Other	14,961	0	0	14,961
<b>Total Revenues</b>	<b>2,414,597</b>	<b>511,510</b>	<b>0</b>	<b>2,926,107</b>
<b>Expenditures</b>				
<b>Current Operating</b>				
<b>Instruction</b>				
Regular	294,886	0	0	294,886
Special	179,325	0	0	179,325
Other Instruction	7,170	0	0	7,170
Pupil Support Services	131,938	334	0	132,272
Instructional Support Services	349,565	0	0	349,565
Administration	93,593	0	0	93,593
<b>Operation and Maintenance of</b>				
Plant Services	21,539	0	0	21,539
Other Support Services	42,901	0	0	42,901
Extracurricular Activities	568,830	0	0	568,830
Non-Instructional Services	1,178,338	0	0	1,178,338
Capital Outlay	0	0	68,325	68,325
<b>Debt Service</b>				
Principal	0	250,000	0	250,000
Interest	0	165,290	0	165,290
<b>Total Expenditures</b>	<b>2,868,085</b>	<b>415,624</b>	<b>68,325</b>	<b>3,352,034</b>
Excess of Revenues Over (Under) Expenditures	(453,488)	95,886	(68,325)	(425,927)
<b>Other Financing Sources</b>				
Operating Transfers In	249,468	0	0	249,468
<b>Total Other Financing Sources</b>	<b>249,468</b>	<b>0</b>	<b>0</b>	<b>249,468</b>
<b>Net Change in Fund Balances</b>	<b>(204,020)</b>	<b>95,886</b>	<b>(68,325)</b>	<b>(176,459)</b>
Fund Balances at Beginning of Year	861,551	637,988	68,325	1,567,864
<b>Fund Balances at End of Year</b>	<b>\$657,531</b>	<b>\$733,874</b>	<b>\$0</b>	<b>\$1,391,405</b>

**Vandalia-Butler City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2002*

	Food Service	Special Trust	Uniform Supply	Adult Education	Rotary
<b><u>Assets:</u></b>					
Equity in Pooled Cash and Cash Equivalents	\$129,165	\$13,755	\$142,245	\$5,153	\$442
Intergovernmental Receivable	32,260	0	0	0	0
<i>Total Assets</i>	<u>\$161,425</u>	<u>\$13,755</u>	<u>\$142,245</u>	<u>\$5,153</u>	<u>\$442</u>
<b><u>Liabilities and Fund Balances:</u></b>					
<b><u>Liabilities</u></b>					
Accounts Payable	\$1,097	\$184	\$1,371	\$0	\$0
Accrued Wages and Benefits	66,431	0	0	0	0
Deferred Revenues	0	0	0	0	0
Intergovernmental Payable	8,054	0	0	0	0
Interfund Loans Payable	0	0	0	0	0
<i>Total Liabilities</i>	75,582	184	1,371	0	0
<b><u>Fund Balances:</u></b>					
Reserved for Encumbrances	6,552	1,973	5,806	0	0
Unreserved, undesignated	79,291	11,598	135,068	5,153	442
<i>Total Fund Balances</i>	85,843	13,571	140,874	5,153	442
<i>Total Liabilities and Fund Balances</i>	<u>\$161,425</u>	<u>\$13,755</u>	<u>\$142,245</u>	<u>\$5,153</u>	<u>\$442</u>



<u>Public School Support</u>	<u>Other Grants</u>	<u>Latchkey</u>	<u>School Improvement Models</u>	<u>Athletics</u>	<u>Auxilliary Services</u>
\$233,056	\$3	\$73,066	\$243	\$92,374	\$75,081
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$233,056</u>	<u>\$3</u>	<u>\$73,066</u>	<u>\$243</u>	<u>\$92,374</u>	<u>\$75,081</u>
\$13,699	\$0	\$618	\$0	\$4,036	\$34,684
0	0	7,767	0	5,878	7,954
0	0	0	0	0	0
0	0	5,775	0	677	1,422
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>13,699</u>	<u>0</u>	<u>14,160</u>	<u>0</u>	<u>10,591</u>	<u>44,060</u>
3,105	579	2,669	112	3,052	11,585
<u>216,252</u>	<u>(576)</u>	<u>56,237</u>	<u>131</u>	<u>78,731</u>	<u>19,436</u>
<u>219,357</u>	<u>3</u>	<u>58,906</u>	<u>243</u>	<u>81,783</u>	<u>31,021</u>
<u>\$233,056</u>	<u>\$3</u>	<u>\$73,066</u>	<u>\$243</u>	<u>\$92,374</u>	<u>\$75,081</u>

**Vandalia-Butler City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2002*

	Career Education	Teacher Development	Vocational Equipment	Management Information Systems	Ohio Educational Computer Network
<b><u>Assets:</u></b>					
Equity in Pooled Cash and Cash Equivalents	\$0	\$9,492	\$0	\$28,657	\$5,755
Intergovernmental Receivable	0	0	0	0	0
<i>Total Assets</i>	\$0	\$9,492	\$0	\$28,657	\$5,755
 <b><u>Liabilities and Fund Balances:</u></b>					
<b><u>Liabilities</u></b>					
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0	0	0
Deferred Revenues	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Interfund Loans Payable	0	0	0	0	0
<i>Total Liabilities</i>	0	0	0	0	0
 <b><u>Fund Balances:</u></b>					
Reserved for Encumbrances	0	0	932	0	18,000
Unreserved, undesignated	0	9,492	(932)	28,657	(12,245)
<i>Total Fund Balances</i>	0	9,492	0	28,657	5,755
<i>Total Liabilities and Fund Balances</i>	\$0	\$9,492	\$0	\$28,657	\$5,755

School Net Professional Development	Textbook/ Instructional Materials Subsidy	Interactive Video Learning	Ohio Reads	Summer Intervention	Extended Learning Grant
\$5,741 0	\$12,051 0	\$7,500 0	\$21,032 0	\$5,807 0	\$0 0
<u>\$5,741</u>	<u>\$12,051</u>	<u>\$7,500</u>	<u>\$21,032</u>	<u>\$5,807</u>	<u>\$0</u>
\$0 0 0 0 0	\$4,332 0 0 0 0	\$0 0 0 0 0	\$1,000 0 0 750 0	\$0 0 0 0 0	\$0 0 0 0 0
<u>0</u>	<u>4,332</u>	<u>0</u>	<u>1,750</u>	<u>0</u>	<u>0</u>
100 5,641	4,332 3,387	0 7,500	1,000 18,282	0 5,807	0 0
<u>5,741</u>	<u>7,719</u>	<u>7,500</u>	<u>19,282</u>	<u>5,807</u>	<u>0</u>
<u>\$5,741</u>	<u>\$12,051</u>	<u>\$7,500</u>	<u>\$21,032</u>	<u>\$5,807</u>	<u>\$0</u>

**Vandalia-Butler City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2002*

	Miscellaneous State Grants	ESEA Title II	Title VI-B	Title I	Title VI
<b><u>Assets:</u></b>					
Equity in Pooled Cash and Cash Equivalents	\$11,231	\$5,998	\$3,321	\$81	\$658
Intergovernmental Receivable	0	1,328	193,404	126,455	14,277
<i>Total Assets</i>	<u>\$11,231</u>	<u>\$7,326</u>	<u>\$196,725</u>	<u>\$126,536</u>	<u>\$14,935</u>
 <b><u>Liabilities and Fund Balances:</u></b>					
<b><u>Liabilities</u></b>					
Accounts Payable	\$107	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	1,599	26,273	0
Deferred Revenues	0	1,328	193,404	126,455	14,277
Intergovernmental Payable	0	0	2,199	16	0
Interfund Loans Payable	0	0	0	52,000	3,000
<i>Total Liabilities</i>	107	1,328	197,202	204,744	17,277
 <b><u>Fund Balances:</u></b>					
Reserved for Encumbrances	4,240	0	0	0	215
Unreserved, undesignated	6,884	5,998	(477)	(78,208)	(2,557)
<i>Total Fund Balances</i>	11,124	5,998	(477)	(78,208)	(2,342)
<i>Total Liabilities and Fund Balances</i>	<u>\$11,231</u>	<u>\$7,326</u>	<u>\$196,725</u>	<u>\$126,536</u>	<u>\$14,935</u>

Drug Free Schools	Preschool Handicapped Grant	E-Rate	Title VI-R	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$3,036	\$8,648	\$2,934	\$561	\$0	\$897,086
10,764	0	0	0	37,356	415,844
<u>\$13,800</u>	<u>\$8,648</u>	<u>\$2,934</u>	<u>\$561</u>	<u>\$37,356</u>	<u>\$1,312,930</u>
\$0	\$0	\$0	\$0	\$0	\$61,128
0	0	0	1,308	5,526	122,736
10,764	0	0	0	37,356	383,584
0	0	0	1,058	0	19,951
0	0	0	13,000	0	68,000
<u>10,764</u>	<u>0</u>	<u>0</u>	<u>15,366</u>	<u>42,882</u>	<u>655,399</u>
0	0	0	0	0	64,252
3,036	8,648	2,934	(14,805)	(5,526)	593,279
<u>3,036</u>	<u>8,648</u>	<u>2,934</u>	<u>(14,805)</u>	<u>(5,526)</u>	<u>657,531</u>
<u>\$13,800</u>	<u>\$8,648</u>	<u>\$2,934</u>	<u>\$561</u>	<u>\$37,356</u>	<u>\$1,312,930</u>

**Vandalia-Butler City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Food Service</u>	<u>Special Trust</u>	<u>Uniform Supply</u>
<b>Revenues:</b>			
Intergovernmental	\$133,708	\$0	\$0
Tuition and Fees	0	0	153,876
Extracurricular	0	0	0
Charges for Services	669,262	0	0
Miscellaneous	30	14,931	0
<i>Total Revenues</i>	<u>803,000</u>	<u>14,931</u>	<u>153,876</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	0	0	137,539
Special	0	0	0
Other Instruction	0	0	0
Support Services:			
Pupil	0	2,540	0
Instructional Staff	0	0	0
Administration	0	0	0
Other Support Services	0	14,293	473
Non-Instructional Services	774,729	0	6,056
Operation and Maintenance of Plant Services	0	0	0
Extracurricular Activities	0	0	0
<i>Total Expenditures</i>	<u>774,729</u>	<u>16,833</u>	<u>144,068</u>
Excess of Revenues Over/(Under) Expenditures	28,271	(1,902)	9,808
<b>Other Financing Sources:</b>			
Operating Transfers In	0	0	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	28,271	(1,902)	9,808
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>57,572</u>	<u>15,473</u>	<u>131,066</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$85,843</u></u>	<u><u>\$13,571</u></u>	<u><u>\$140,874</u></u>

<u>Adult Education</u>	<u>Rotary</u>	<u>Public School Support</u>	<u>Other Grants</u>	<u>Latchkey</u>	<u>School Improvement Models</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	244,454	0
0	0	343,679	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>343,679</u>	<u>0</u>	<u>244,454</u>	<u>0</u>
0	0	2,061	576	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	232,946	0	0	121
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	270,595	0
0	0	0	0	0	0
0	0	54,620	0	0	0
<u>0</u>	<u>0</u>	<u>289,627</u>	<u>576</u>	<u>270,595</u>	<u>121</u>
0	0	54,052	(576)	(26,141)	(121)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	54,052	(576)	(26,141)	(121)
<u>5,153</u>	<u>442</u>	<u>165,305</u>	<u>579</u>	<u>85,047</u>	<u>364</u>
<u>\$5,153</u>	<u>\$442</u>	<u>\$219,357</u>	<u>\$3</u>	<u>\$58,906</u>	<u>\$243</u>

**Vandalia-Butler City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2002*

	Athletics	Auxilliary Services	Career Education
<b>Revenues:</b>			
Intergovernmental	\$0	\$218,625	\$3,633
Tuition and Fees	0	0	0
Extracurricular	248,553	0	0
Charges for Services	0	0	0
Miscellaneous	0	0	0
<i>Total Revenues</i>	248,553	218,625	3,633
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	0	47,384	0
Special	0	31,794	0
Other Instruction	0	0	0
Support Services:			
Pupil	0	7,875	4,829
Instructional Staff	0	3,548	0
Administration	0	0	0
Other Support Services	0	0	0
Non-Instructional Services	0	116,145	0
Operation and Maintenance of Plant Services	12,202	0	0
Extracurricular Activities	514,210	0	0
<i>Total Expenditures</i>	526,412	206,746	4,829
Excess of Revenues Over/(Under) Expenditure:	(277,859)	11,879	(1,196)
<b>Other Financing Sources:</b>			
Operating Transfers In	249,468	0	0
<i>Total Other Financing Sources</i>	249,468	0	0
<i>Net Change in Fund Balances</i>	(28,391)	11,879	(1,196)
<i>Fund Balances (Deficit) at Beginning of Year</i>	110,174	19,142	1,196
<i>Fund Balances (Deficit) at End of Year</i>	\$81,783	\$31,021	\$0



<u>Teacher Development</u>	<u>Vocational Equipment</u>	<u>Management Information Systems</u>	<u>Ohio Educational Computer Network</u>	<u>School Net Professional Development</u>	<u>Textbook/ Instructional Materials Subsidy</u>
\$0	\$0	\$12,706	\$0	\$7,592	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>12,706</u>	<u>0</u>	<u>7,592</u>	<u>0</u>
0	0	0	0	842	20,464
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,000	0	0	0	0	0
0	0	0	0	0	0
0	932	4,094	18,000	5,109	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>1,000</u>	<u>932</u>	<u>4,094</u>	<u>18,000</u>	<u>5,951</u>	<u>20,464</u>
(1,000)	(932)	8,612	(18,000)	1,641	(20,464)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(1,000)	(932)	8,612	(18,000)	1,641	(20,464)
<u>10,492</u>	<u>932</u>	<u>20,045</u>	<u>23,755</u>	<u>4,100</u>	<u>28,183</u>
<u>\$9,492</u>	<u>\$0</u>	<u>\$28,657</u>	<u>\$5,755</u>	<u>\$5,741</u>	<u>\$7,719</u>

**Vandalia-Butler City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Interactive Video Learning</u>	<u>Ohio Reads</u>	<u>Summer Intervention</u>
<b><u>Revenues:</u></b>			
Intergovernmental	\$7,500	\$36,000	\$0
Tuition and Fees	0	0	0
Extracurricular	0	0	0
Charges for Services	0	0	0
Miscellaneous	0	0	0
<i>Total Revenues</i>	<u>7,500</u>	<u>36,000</u>	<u>0</u>
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular	0	2,854	0
Special	0	0	0
Other Instruction	0	7,170	0
Support Services:			
Pupil	0	0	0
Instructional Staff	0	6,694	0
Administration	0	0	0
Other Support Services	0	0	0
Non-Instructional Services	0	0	0
Operation and Maintenance of Plant Services	0	0	0
Extracurricular Activities	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>16,718</u>	<u>0</u>
Excess of Revenues Over/(Under) Expenditures	7,500	19,282	0
<b><u>Other Financing Sources:</u></b>			
Operating Transfers In	0	0	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	7,500	19,282	0
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>5,807</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$7,500</u></u>	<u><u>\$19,282</u></u>	<u><u>\$5,807</u></u>

<u>Extended Learning Grant</u>	<u>Miscellaneous State Grants</u>	<u>ESEA Title II</u>	<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>
\$0	\$3,512	\$13,026	\$165,887	\$57,202	\$21,329
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>3,512</u>	<u>13,026</u>	<u>165,887</u>	<u>57,202</u>	<u>21,329</u>
18,104	0	0	0	0	12,658
0	0	0	11,000	136,531	0
0	0	0	0	0	0
0	8,543	0	93,778	0	0
3,996	0	16,047	66,500	3,804	8,245
0	0	0	93,593	0	0
0	0	0	0	0	0
0	0	0	9,223	0	1,590
0	4,150	0	0	0	0
0	0	0	0	0	0
<u>22,100</u>	<u>12,693</u>	<u>16,047</u>	<u>274,094</u>	<u>140,335</u>	<u>22,493</u>
(22,100)	(9,181)	(3,021)	(108,207)	(83,133)	(1,164)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(22,100)	(9,181)	(3,021)	(108,207)	(83,133)	(1,164)
<u>22,100</u>	<u>20,305</u>	<u>9,019</u>	<u>107,730</u>	<u>4,925</u>	<u>(1,178)</u>
<u>\$0</u>	<u>\$11,124</u>	<u>\$5,998</u>	<u>(\$477)</u>	<u>(\$78,208)</u>	<u>(\$2,342)</u>

**Vandalia-Butler City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Drug Free Schools</u>	<u>Preschool Handicapped Grant</u>	<u>E-Rate</u>
<b><u>Revenues:</u></b>			
Intergovernmental	\$13,097	\$8,648	\$2,934
Tuition and Fees	0	0	0
Extracurricular	0	0	0
Charges for Services	0	0	0
Miscellaneous	0	0	0
	<hr/>	<hr/>	<hr/>
<i>Total Revenues</i>	13,097	8,648	2,934
	<hr/>	<hr/>	<hr/>
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular	0	0	0
Special	0	0	0
Other Instruction	0	0	0
Support Services:			
Pupil	14,373	0	0
Instructional Staff	0	6,664	0
Administration	0	0	0
Other Support Services	0	0	0
Non-Instructional Services	0	0	0
Operation and Maintenance of Plant Services	0	0	5,187
Extracurricular Activities	0	0	0
	<hr/>	<hr/>	<hr/>
<i>Total Expenditures</i>	14,373	6,664	5,187
	<hr/>	<hr/>	<hr/>
Excess of Revenues Over/(Under) Expenditures	(1,276)	1,984	(2,253)
<b><u>Other Financing Sources:</u></b>			
Operating Transfers In	0	0	0
	<hr/>	<hr/>	<hr/>
<i>Total Other Financing Sources</i>	0	0	0
	<hr/>	<hr/>	<hr/>
<i>Net Change in Fund Balances</i>	(1,276)	1,984	(2,253)
<i>Fund Balances (Deficit) at Beginning of Year</i>	4,312	6,664	5,187
	<hr/>	<hr/>	<hr/>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$3,036</u>	<u>\$8,648</u>	<u>\$2,934</u>

<u>Title VI-R</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$34,413	\$0	\$739,812
0	0	398,330
0	0	592,232
0	0	669,262
0	0	14,961
<u>34,413</u>	<u>0</u>	<u>2,414,597</u>
46,412	5,992	294,886
0	0	179,325
0	0	7,170
0	0	131,938
0	0	349,565
0	0	93,593
0	0	42,901
0	0	1,178,338
0	0	21,539
0	0	568,830
<u>46,412</u>	<u>5,992</u>	<u>2,868,085</u>
(11,999)	(5,992)	(453,488)
<u>0</u>	<u>0</u>	<u>249,468</u>
<u>0</u>	<u>0</u>	<u>249,468</u>
(11,999)	(5,992)	(204,020)
<u>(2,806)</u>	<u>466</u>	<u>861,551</u>
<u>(\$14,805)</u>	<u>(\$5,526)</u>	<u>\$657,531</u>

**Vandalia-Butler City School District**  
*Balance Sheet*  
*Nonmajor Debt Service Fund*  
*June 30, 2002*

	<u>Bond Retirement</u>
<b><u>Assets:</u></b>	
Equity in Pooled Cash and Cash Equivalents	\$703,144
Taxes Receivable	<u>472,595</u>
<i>Total Assets</i>	<u><u>\$1,175,739</u></u>
<b><u>Liabilities and Fund Balances:</u></b>	
<b><u>Liabilities</u></b>	
Accounts Payable	\$334
Deferred Revenues	<u>441,531</u>
<i>Total Liabilities</i>	<u>441,865</u>
<b><u>Fund Balances:</u></b>	
Reserved for Debt Service	31,064
Unreserved, undesignated	<u>702,810</u>
<i>Total Fund Balances</i>	<u>733,874</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$1,175,739</u></u>

**Vandalia-Butler City School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Debt Service Fund*  
*For the Fiscal Year Ended June 30, 2002*

	Bond Retirement
<b><u>Revenues:</u></b>	
Property Taxes	\$462,798
Intergovernmental	48,712
<i>Total Revenues</i>	<i>511,510</i>
<b><u>Expenditures:</u></b>	
Current:	
Support Services:	
Pupil	334
Debt Service:	
Principal Retirement	250,000
Interest and Fiscal Charges	165,290
<i>Total Expenditures</i>	<i>415,624</i>
<i>Net Change in Fund Balances</i>	<i>95,886</i>
<i>Fund Balances at Beginning of Year</i>	<i>637,988</i>
<i>Fund Balances at End of Year</i>	<i>\$733,874</i>

**Vandalia-Butler City School District**  
*Balance Sheet*  
*Nonmajor Capital Project Fund*  
*June 30, 2002*

	Schoolnet Equipment
<b><u>Assets:</u></b>	
Equity in Pooled Cash and Cash Equivalents	\$0
<i>Total Assets</i>	\$0
 <b><u>Liabilities and Fund Balances:</u></b>	
<b><u>Liabilities</u></b>	
Deferred Revenues	0
<i>Total Liabilities</i>	0
 <b><u>Fund Balances:</u></b>	
Reserved for Encumbrances	33,000
Unreserved, undesignated	(33,000)
<i>Total Fund Balances</i>	0
<i>Total Liabilities and Fund Balances</i>	\$0



**Vandalia-Butler City School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Project Fund*  
*For the Fiscal Year Ended June 30, 2002*

	Schoolnet Equipment
<b><u>Revenues:</u></b>	
Property Taxes	\$0
<i>Total Revenues</i>	<i>0</i>
<b><u>Expenditures:</u></b>	
Capital Outlay	68,325
<i>Total Expenditures</i>	<i>68,325</i>
<i>Net Change in Fund Balances</i>	<i>(68,325)</i>
<i>Fund Balances at Beginning of Year</i>	<i>68,325</i>
<i>Fund Balances at End of Year</i>	<i>\$0</i>

Vandalia-Bulter City School District

Statement of Changes in  
Assets and Liabilities  
Agency Fund

Year Ended June 30, 2002

	<u>Balance</u> <u>07/01/01</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/02</u>
<b>STUDENT MANAGED ACTIVITIES</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$85,325</u>	<u>\$149,559</u>	<u>\$145,512</u>	<u>\$89,372</u>
Total Assets	<u>\$ 85,325</u>	<u>\$ 149,559</u>	<u>\$ 145,512</u>	<u>\$ 89,372</u>
<b>Liabilities</b>				
Due to Students	<u>85,325</u>	<u>149,559</u>	<u>145,512</u>	<u>89,372</u>
Total Liabilities	<u>\$ 85,325</u>	<u>\$ 149,559</u>	<u>\$ 145,512</u>	<u>\$ 89,372</u>

**Individual Fund Schedules  
of Revenues, Expenditures  
and Changes in Fund Balance –  
Budget (Non-GAAP Basis)  
and Actual**

**Vandalia-Butler City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2002**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget: Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>General Fund</b>				
Total Revenues and Other Sources	\$23,408,858	\$26,328,022	\$26,330,023	\$2,001
Total Expenditures and Other Uses	<u>24,158,793</u>	<u>26,660,393</u>	<u>25,886,691</u>	<u>773,702</u>
Net Change in Fund Balance	(749,935)	(332,371)	443,332	775,703
Fund Balance, July 1	<u>12,483,458</u>	<u>12,483,458</u>	<u>12,483,458</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$11,733,523</u></u>	<u><u>\$12,151,087</u></u>	<u><u>\$12,926,790</u></u>	<u><u>\$775,703</u></u>

**Vandalia-Butler City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2002**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget: Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Food Service</b>				
Total Revenues and Other Sources	\$800,000	\$787,244	\$787,244	\$0
Total Expenditures and Other Uses	<u>846,002</u>	<u>853,651</u>	<u>808,553</u>	<u>45,098</u>
Net Change in Fund Balance	(46,002)	(66,407)	(21,309)	45,098
Fund Balance, July 1	<u>135,525</u>	<u>135,525</u>	<u>135,525</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$89,523</u></u>	<u><u>\$69,118</u></u>	<u><u>\$114,216</u></u>	<u><u>\$45,098</u></u>
<b>Special Trust Fund</b>				
Total Revenues and Other Sources	\$18,000	\$14,931	\$14,931	\$0
Total Expenditures and Other Uses	<u>22,825</u>	<u>24,982</u>	<u>21,363</u>	<u>3,619</u>
Net Change in Fund Balance	(4,825)	(10,051)	(6,432)	3,619
Fund Balance, July 1	<u>16,564</u>	<u>16,564</u>	<u>16,564</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$11,739</u></u>	<u><u>\$6,513</u></u>	<u><u>\$10,132</u></u>	<u><u>\$3,619</u></u>
<b>Uniform Supply Fund</b>				
Total Revenues and Other Sources	\$146,000	\$154,193	\$154,193	\$0
Total Expenditures and Other Uses	<u>189,086</u>	<u>199,263</u>	<u>146,930</u>	<u>52,333</u>
Net Change in Fund Balance	(43,086)	(45,070)	7,263	52,333
Fund Balance, July 1	<u>131,244</u>	<u>131,244</u>	<u>131,244</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$88,158</u></u>	<u><u>\$86,174</u></u>	<u><u>\$138,507</u></u>	<u><u>\$52,333</u></u>

**Vandalia-Butler City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2002**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget: Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Adult Education</b>				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance, July 1	<u>5,153</u>	<u>5,153</u>	<u>5,153</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$5,153</u></u>	<u><u>\$5,153</u></u>	<u><u>\$5,153</u></u>	<u><u>\$0</u></u>
<b>Rotary Fund</b>				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>442</u>	<u>443</u>	<u>0</u>	<u>443</u>
Net Change in Fund Balance	(442)	(443)	0	443
Fund Balance, July 1	<u>442</u>	<u>442</u>	<u>442</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>(\$1)</u></u>	<u><u>\$442</u></u>	<u><u>\$443</u></u>
<b>Public School Support</b>				
Total Revenues and Other Sources	\$250,000	\$343,679	\$343,679	\$0
Total Expenditures and Other Uses	<u>393,112</u>	<u>409,916</u>	<u>306,841</u>	<u>103,075</u>
Net Change in Fund Balance	(143,112)	(66,237)	36,838	103,075
Fund Balance, July 1	<u>169,394</u>	<u>169,394</u>	<u>169,394</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$26,282</u></u>	<u><u>\$103,157</u></u>	<u><u>\$206,232</u></u>	<u><u>\$103,075</u></u>

**Vandalia-Butler City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2002**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Other Grants</b>				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>0</u>	<u>579</u>	<u>576</u>	<u>3</u>
Net Change in Fund Balance	0	(579)	(576)	3
Fund Balance, July 1	<u>579</u>	<u>579</u>	<u>579</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$579</u></u>	<u><u>\$0</u></u>	<u><u>\$3</u></u>	<u><u>\$3</u></u>
<b>Latchkey Fund</b>				
Total Revenues and Other Sources	\$275,000	\$244,454	\$244,454	\$0
Total Expenditures and Other Uses	<u>312,050</u>	<u>315,337</u>	<u>274,714</u>	<u>40,623</u>
Net Change in Fund Balance	(37,050)	(70,883)	(30,260)	40,623
Fund Balance, July 1	<u>98,284</u>	<u>98,284</u>	<u>98,284</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$61,234</u></u>	<u><u>\$27,401</u></u>	<u><u>\$68,024</u></u>	<u><u>\$40,623</u></u>
<b>School Improvement Models</b>				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>252</u>	<u>364</u>	<u>121</u>	<u>243</u>
Net Change in Fund Balance	(252)	(364)	(121)	243
Fund Balance, July 1	<u>364</u>	<u>364</u>	<u>364</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$112</u></u>	<u><u>\$0</u></u>	<u><u>\$243</u></u>	<u><u>\$243</u></u>

**Vandalia-Butler City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2002**

	<u>Budgeted Amounts</u>			Variance with Final Budget: Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Athletics Fund</b>				
Total Revenues and Other Sources	\$450,000	\$248,553	\$498,021	\$249,468
Total Expenditures and Other Uses	<u>462,565</u>	<u>469,653</u>	<u>539,979</u>	<u>(70,326)</u>
Net Change in Fund Balance	(12,565)	(221,100)	(41,958)	179,142
Fund Balance, July 1	<u>121,620</u>	<u>121,620</u>	<u>121,620</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$109,055</u></u>	<u><u>(\$99,480)</u></u>	<u><u>\$79,662</u></u>	<u><u>\$179,142</u></u>
<b>Auxiliary Services</b>				
Total Revenues and Other Sources	\$170,000	\$218,625	\$218,625	\$0
Total Expenditures and Other Uses	<u>215,985</u>	<u>280,533</u>	<u>246,443</u>	<u>34,090</u>
Net Change in Fund Balance	(45,985)	(61,908)	(27,818)	34,090
Fund Balance, July 1	<u>59,872</u>	<u>59,872</u>	<u>59,872</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$13,887</u></u>	<u><u>(\$2,036)</u></u>	<u><u>\$32,054</u></u>	<u><u>\$34,090</u></u>
<b>Career Education</b>				
Total Revenues and Other Sources	\$3,500	\$3,633	\$3,633	\$0
Total Expenditures and Other Uses	<u>7,396</u>	<u>4,829</u>	<u>4,829</u>	<u>0</u>
Net Change in Fund Balance	(3,896)	(1,196)	(1,196)	0
Fund Balance, July 1	<u>1,196</u>	<u>1,196</u>	<u>1,196</u>	<u>0</u>
Fund Balance, June 30	<u><u>(\$2,700)</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>



**Vandalia-Butler City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2002**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget: Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Teacher Development</b>				
Total Revenues and Other Sources	\$15,000	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>27,492</u>	<u>27,492</u>	<u>1,000</u>	<u>26,492</u>
Net Change in Fund Balance	(12,492)	(27,492)	(1,000)	26,492
Fund Balance, July 1	<u>10,492</u>	<u>10,492</u>	<u>10,492</u>	<u>0</u>
Fund Balance, June 30	<u><u>(\$2,000)</u></u>	<u><u>(\$17,000)</u></u>	<u><u>\$9,492</u></u>	<u><u>\$26,492</u></u>
<b>Vocational Equipment</b>				
Total Revenues and Other Sources	\$5,000	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>0</u>	<u>932</u>	<u>932</u>	<u>0</u>
Net Change in Fund Balance	5,000	(932)	(932)	0
Fund Balance, July 1	<u>932</u>	<u>932</u>	<u>932</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$5,932</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<b>Management Information Systems</b>				
Total Revenues and Other Sources	\$9,000	\$12,706	\$12,706	\$0
Total Expenditures and Other Uses	<u>20,044</u>	<u>20,045</u>	<u>4,176</u>	<u>15,869</u>
Net Change in Fund Balance	(11,044)	(7,339)	8,530	15,869
Fund Balance, July 1	<u>20,045</u>	<u>20,045</u>	<u>20,045</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$9,001</u></u>	<u><u>\$12,706</u></u>	<u><u>\$28,575</u></u>	<u><u>\$15,869</u></u>

**Vandalia-Butler City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2002**

	<u>Budgeted Amounts</u>			Variance with Final Budget: Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Ohio Educational Computer Network</b>				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>11,555</u>	<u>29,555</u>	<u>18,000</u>	<u>11,555</u>
Net Change in Fund Balance	(11,555)	(29,555)	(18,000)	11,555
Fund Balance, July 1	<u>23,755</u>	<u>23,755</u>	<u>23,755</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$12,200</u></u>	<u><u>(\$5,800)</u></u>	<u><u>\$5,755</u></u>	<u><u>\$11,555</u></u>
<b>School Net Professional Development</b>				
Total Revenues and Other Sources	\$0	\$7,592	\$7,592	\$0
Total Expenditures and Other Uses	<u>4,000</u>	<u>8,242</u>	<u>5,951</u>	<u>2,291</u>
Net Change in Fund Balance	(4,000)	(650)	1,641	2,291
Fund Balance, July 1	<u>4,100</u>	<u>4,100</u>	<u>4,100</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$100</u></u>	<u><u>\$3,450</u></u>	<u><u>\$5,741</u></u>	<u><u>\$2,291</u></u>
<b>Textbook/Instructional Materials Subsidy</b>				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>28,183</u>	<u>28,183</u>	<u>28,183</u>	<u>0</u>
Net Change in Fund Balance	(28,183)	(28,183)	(28,183)	0
Fund Balance, July 1	<u>28,183</u>	<u>28,183</u>	<u>28,183</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Vandalia-Butler City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2002**

	Budgeted Amounts		Actual	Variance with Final Budget: Positive (Negative)
	Original	Final		
<b>Interactive Video Learning</b>				
Total Revenues and Other Sources	\$0	\$7,500	\$7,500	\$0
Total Expenditures and Other Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	7,500	7,500	0
Fund Balance, July 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$7,500</u></u>	<u><u>\$7,500</u></u>	<u><u>\$0</u></u>
<b>Ohio Reads</b>				
Total Revenues and Other Sources	\$0	\$36,000	\$36,000	\$0
Total Expenditures and Other Uses	<u>0</u>	<u>36,000</u>	<u>35,034</u>	<u>966</u>
Net Change in Fund Balance	0	0	966	966
Fund Balance, July 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$966</u></u>	<u><u>\$966</u></u>
<b>Summer Intervention</b>				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>5,807</u>	<u>5,807</u>	<u>0</u>	<u>5,807</u>
Net Change in Fund Balance	(5,807)	(5,807)	0	5,807
Fund Balance, July 1	<u>5,807</u>	<u>5,807</u>	<u>5,807</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$5,807</u></u>	<u><u>\$5,807</u></u>

**Vandalia-Butler City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2002**

	<u>Budgeted Amounts</u>			Variance with Final Budget: Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Extended Learning Grant</b>				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>22,100</u>	<u>22,100</u>	<u>22,100</u>	<u>0</u>
Net Change in Fund Balance	(22,100)	(22,100)	(22,100)	0
Fund Balance, July 1	<u>22,100</u>	<u>22,100</u>	<u>22,100</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<b>Miscellaneous State Grant</b>				
Total Revenues and Other Sources	\$0	\$3,512	\$3,512	\$0
Total Expenditures and Other Uses	<u>15,974</u>	<u>20,321</u>	<u>12,810</u>	<u>7,511</u>
Net Change in Fund Balance	(15,974)	(16,809)	(9,298)	7,511
Fund Balance, July 1	<u>20,320</u>	<u>20,320</u>	<u>20,320</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$4,346</u></u>	<u><u>\$3,511</u></u>	<u><u>\$11,022</u></u>	<u><u>\$7,511</u></u>
<b>ESEA Title II Fund</b>				
Total Revenues and Other Sources	\$9,000	\$13,026	\$13,026	\$0
Total Expenditures and Other Uses	<u>20,793</u>	<u>23,373</u>	<u>16,047</u>	<u>7,326</u>
Net Change in Fund Balance	(11,793)	(10,347)	(3,021)	7,326
Fund Balance, July 1	<u>9,019</u>	<u>9,019</u>	<u>9,019</u>	<u>0</u>
Fund Balance, June 30	<u><u>(\$2,774)</u></u>	<u><u>(\$1,328)</u></u>	<u><u>\$5,998</u></u>	<u><u>\$7,326</u></u>

**Vandalia-Butler City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2002**

	<u>Budgeted Amounts</u>			Variance with Final Budget: Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Title VI-B Fund</b>				
Total Revenues and Other Sources	\$250,000	\$165,887	\$165,887	\$0
Total Expenditures and Other Uses	<u>496,132</u>	<u>469,132</u>	<u>272,407</u>	<u>196,725</u>
Net Change in Fund Balance	(246,132)	(303,245)	(106,520)	196,725
Fund Balance, July 1	<u>109,841</u>	<u>109,841</u>	<u>109,841</u>	<u>0</u>
Fund Balance, June 30	<u><u>(\$136,291)</u></u>	<u><u>(\$193,404)</u></u>	<u><u>\$3,321</u></u>	<u><u>\$196,725</u></u>
 <b>Title I</b>				
Total Revenues and Other Sources	\$160,000	\$109,202	\$109,202	\$0
Total Expenditures and Other Uses	<u>215,355</u>	<u>215,356</u>	<u>140,719</u>	<u>74,637</u>
Net Change in Fund Balance	(55,355)	(106,154)	(31,517)	74,637
Fund Balance, July 1	<u>31,598</u>	<u>31,598</u>	<u>31,598</u>	<u>0</u>
Fund Balance, June 30	<u><u>(\$23,757)</u></u>	<u><u>(\$74,556)</u></u>	<u><u>\$81</u></u>	<u><u>\$74,637</u></u>
 <b>Title VI</b>				
Total Revenues and Other Sources	\$8,300	\$24,329	\$24,329	\$0
Total Expenditures and Other Uses	<u>29,384</u>	<u>36,428</u>	<u>24,493</u>	<u>11,935</u>
Net Change in Fund Balance	(21,084)	(12,099)	(164)	11,935
Fund Balance, July 1	<u>822</u>	<u>822</u>	<u>822</u>	<u>0</u>
Fund Balance, June 30	<u><u>(\$20,262)</u></u>	<u><u>(\$11,277)</u></u>	<u><u>\$658</u></u>	<u><u>\$11,935</u></u>

**Vandalia-Butler City School District**  
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**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2002**

	<u>Budgeted Amounts</u>			Variance with Final Budget: Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Drug Free Schools Grant</b>				
Total Revenues and Other Sources	\$0	\$13,097	\$13,097	\$0
Total Expenditures and Other Uses	<u>28,173</u>	<u>28,173</u>	<u>14,373</u>	<u>13,800</u>
Net Change in Fund Balance	(28,173)	(15,076)	(1,276)	13,800
Fund Balance, July 1	<u>4,312</u>	<u>4,312</u>	<u>4,312</u>	<u>0</u>
Fund Balance, June 30	<u><u>(\$23,861)</u></u>	<u><u>(\$10,764)</u></u>	<u><u>\$3,036</u></u>	<u><u>\$13,800</u></u>
<b>Preschool Handicapped Grant</b>				
Total Revenues and Other Sources	\$4,000	\$8,648	\$8,648	\$0
Total Expenditures and Other Uses	<u>28,025</u>	<u>16,025</u>	<u>7,916</u>	<u>8,109</u>
Net Change in Fund Balance	(24,025)	(7,377)	732	8,109
Fund Balance, July 1	<u>7,916</u>	<u>7,916</u>	<u>7,916</u>	<u>0</u>
Fund Balance, June 30	<u><u>(\$16,109)</u></u>	<u><u>\$539</u></u>	<u><u>\$8,648</u></u>	<u><u>\$8,109</u></u>
<b>E-Rate</b>				
Total Revenues and Other Sources	\$0	\$2,934	\$2,934	\$0
Total Expenditures and Other Uses	<u>7,187</u>	<u>8,545</u>	<u>5,187</u>	<u>3,358</u>
Net Change in Fund Balance	(7,187)	(5,611)	(2,253)	3,358
Fund Balance, July 1	<u>5,187</u>	<u>5,187</u>	<u>5,187</u>	<u>0</u>
Fund Balance, June 30	<u><u>(\$2,000)</u></u>	<u><u>(\$424)</u></u>	<u><u>\$2,934</u></u>	<u><u>\$3,358</u></u>

**Vandalia-Butler City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2002**

	<u>Budgeted Amounts</u>			Variance with Final Budget: Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Title VI-R</b>				
Total Revenues and Other Sources	\$0	\$34,413	\$47,413	\$13,000
Total Expenditures and Other Uses	<u>58,718</u>	<u>68,743</u>	<u>53,769</u>	<u>14,974</u>
Net Change in Fund Balance	(58,718)	(34,330)	(6,356)	27,974
Fund Balance, July 1	<u>6,917</u>	<u>6,917</u>	<u>6,917</u>	<u>0</u>
Fund Balance, June 30	<u><u>(\$51,801)</u></u>	<u><u>(\$27,413)</u></u>	<u><u>\$561</u></u>	<u><u>\$27,974</u></u>
 <b>Miscellaneous Federal Grants</b>				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>790</u>	<u>790</u>	<u>790</u>	<u>0</u>
Net Change in Fund Balance	(790)	(790)	(790)	0
Fund Balance, July 1	<u>790</u>	<u>790</u>	<u>790</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Vandalia-Butler City School District**  
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**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2002**

	<u>Budgeted Amounts</u>			Variance with Final Budget: Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Debt Service Fund</b>				
Total Revenues and Other Sources	\$483,286	\$508,664	\$508,664	\$0
Total Expenditures and Other Uses	<u>470,000</u>	<u>470,000</u>	<u>415,624</u>	<u>54,376</u>
Net Change in Fund Balance	13,286	38,664	93,040	54,376
Fund Balance, July 1	<u>609,770</u>	<u>609,770</u>	<u>609,770</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$623,056</u></u>	<u><u>\$648,434</u></u>	<u><u>\$702,810</u></u>	<u><u>\$54,376</u></u>
<b>SchoolNet Equipment</b>				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>110,325</u>	<u>143,325</u>	<u>68,325</u>	<u>75,000</u>
Net Change in Fund Balance	(110,325)	(143,325)	(68,325)	75,000
Fund Balance, July 1	<u>68,325</u>	<u>68,325</u>	<u>68,325</u>	<u>0</u>
Fund Balance, June 30	<u><u>(\$42,000)</u></u>	<u><u>(\$75,000)</u></u>	<u><u>\$0</u></u>	<u><u>\$75,000</u></u>



## **Statistical Section**

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**VANDALIA-BUTLER CITY SCHOOL DISTRICT, OHIO  
GENERAL FUND EXPENDITURES BY FUNCTION  
LAST TEN FISCAL YEARS (1)  
1993-2002**

**TABLE 1**

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal
Instruction										
Regular	\$11,771,196	\$11,171,951	\$11,025,999	\$10,534,773	\$10,083,601	\$10,038,880	\$8,600,869	\$9,023,840	\$8,794,228	\$8,459,341
Special	1,767,633	1,682,686	1,647,002	1,466,202	1,412,843	1,357,023	1,166,302	1,089,016	1,002,997	809,366
Vocational	319,744	319,878	311,676	294,335	294,032	287,726	257,200	259,312	254,732	246,640
Other Instruction	1,417,448	1,191,387	822,887	703,403	435,536	400,169	477,383	374,743	747,624	161,386
Support Services										
Pupil	1,140,741	1,154,321	1,074,792	1,046,514	1,109,871	999,747	890,231	841,193	821,041	806,305
Instructional	627,921	606,197	652,126	635,338	604,432	592,373	669,901	580,074	553,973	521,099
Board of Education		82,928	40,640	26,965	23,016	26,954	20,266	22,755	39,825	15,142
Administration	1,741,772	1,715,655	1,480,281	1,260,585	1,231,054	1,230,237	1,192,481	1,219,373	1,279,285	2,166,972
Fiscal	684,867	617,545	561,606	481,768	508,726	511,221	380,750	467,681	442,078	350,053
Business	193,167	184,978	185,605	163,151	153,480	130,695	173,158	147,380	186,588	146,670
Maintenance/Operations	2,388,367	2,769,875	2,568,647	3,419,346	2,122,022	2,256,663	2,320,217	1,974,549	1,847,911	1,637,247
Pupil Transportation	954,944	1,121,368	971,354	843,933	755,255	822,234	806,714	783,022	769,784	627,374
Central	635,202	539,663	474,087	431,540	399,579	408,543	336,226	293,313	198,606	77,501
Non-Instructional Services	18,286	0	0	0	0	0	0	0	0	0
Extracurricular Activities	59,532	0	0	0	0	0	0	0	0	8,456
Facilities Acquisition	339,953	0	0	171,929	0	36,427	0	0	0	113,304
Debt Service	192,000	0	0	0	0	0	0	0	0	0
Other Uses of Funds	249,468	233,304	530,395	241,225	272,000	2,045,600	1,140,020	679,529	521,615	115,192
Total	\$24,502,241	\$23,391,736	\$22,347,097	\$21,721,007	\$19,405,447	\$21,144,492	\$18,431,718	\$17,755,780	\$17,460,287	\$16,262,048

Source: Vandalia-Butler City School District Financial Records.

(1) 2002 fiscal year reported on GAAP basis; all prior years reported on cash basis.

TABLE 2

**VANDALIA-BUTLER CITY SCHOOL DISTRICT, OHIO**  
**GENERAL FUND REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS (1)**  
**1993-2002**

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal
Taxes	\$18,383,508	\$17,492,120	\$17,330,872	\$16,319,474	\$16,910,603	\$16,123,270	\$15,665,362	\$12,649,298	\$11,708,900	\$11,537,591
Tuition & Fees	57,371	15,782	56,977	19,881	49,467	59,675	28,772	26,154	29,013	46,332
Transportation Fees	0	101,019	74,121	52,239	36,808	3,030	4,269	25,520	58,959	76,039
Earnings on Investments	608,935	857,281	732,629	635,967	623,948	474,029	322,754	201,123	120,292	194,119
Extracurricular Activities	0	0	0	0	0	0	0	0	0	100
Classroom Materials and Fees	0	0	0	0	0	0	0	0	0	107,901
Miscellaneous Receipts	1,536,159	88,535	137,002	198,964	62,353	71,144	57,365	70,974	32,118	58,629
Intergovernmental	5,701,273	5,539,166	5,305,815	5,425,998	4,848,676	4,738,875	4,569,953	4,210,791	4,139,977	4,072,996
Other Financing Sources	342,088	319,914	23,580	2,009,125	5,548	56,863	10,040	28,993	30,955	498,662
<b>Total</b>	<b>\$26,629,334</b>	<b>\$24,413,817</b>	<b>\$23,660,996</b>	<b>\$24,661,648</b>	<b>\$22,537,403</b>	<b>\$21,526,886</b>	<b>\$20,658,515</b>	<b>\$17,212,853</b>	<b>\$16,120,214</b>	<b>\$16,592,369</b>

Source: Vandalia-Butler City School District Financial Records.

(1) 2002 fiscal year reported on GAAP basis; all prior years reported on cash basis.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT, OHIO**  
**PROPERTY TAX LEVIES AND COLLECTIONS - REAL, PERSONAL, AND PUBLIC UTILITY PROPERTY**  
**LAST TEN COLLECTION (CALENDAR) YEARS**  
**1993-2002**

**TABLE 3**

Collection Year	Current Levy (1)	Current Collection (2)	Percent of		Delinquent Collection	Total Collection (2)	Percent of		Outstanding Delinquent Taxes (3)	Percent of Delinquent Taxes to Current Levy
			Current Levy Collected	Delinquent Levy Collected			Current Levy Collected	Delinquent Levy Collected		
2002	\$20,201,860	\$18,949,413	93.80%		\$631,133	\$19,580,546	96.92%	\$665,860	3.30%	
2001	19,843,228	19,618,976	98.87%		1,074,169	20,693,145	104.28%	1,514,895	7.63%	
2000	(4)	19,167,150	(4)		626,452	19,793,602	(4)	(4)	(4)	
1999	(4)	18,504,073	(4)		626,390	19,130,463	(4)	(4)	(4)	
1998	(4)	17,951,589	(4)		691,286	18,642,875	(4)	(4)	(4)	
1997	(4)	17,745,969	(4)		758,627	18,504,596	(4)	(4)	(4)	
1996	(4)	17,220,137	(4)		1,285,235	18,505,372	(4)	(4)	(4)	
1995	(4)	16,483,233	(4)		394,721	16,877,954	(4)	(4)	(4)	
1994	(4)	13,410,342	(4)		448,624	13,858,966	(4)	(4)	(4)	
1993	(4)	12,780,601	(4)		415,874	13,196,475	(4)	(4)	(4)	

Source: Montgomery County Auditor.

- (1) Taxes levied and collected are presented on a cash basis.
- (2) State reimbursements of rollback and homestead exemptions are included; December 2001 settlement estimate included.
- (3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.
- (4) Information not available.

VANDALIA-BUTLER CITY SCHOOL DISTRICT, OHIO  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN COLLECTION (CALENDAR) YEARS  
 1993-2002

Tax Collection Year	Agricultural and Residential Real Estate		Commercial, Industrial, Public Utility Real Estate (1)		Tangible Personal (2)		Public Utility Tangible Personal		Total		Assessed Value Ratio (3)
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2002	\$353,228,050	\$1,009,223,000	\$138,201,810	\$394,862,314	\$123,069,976	\$492,279,904	\$17,621,590	\$20,024,534	\$632,121,426	\$1,916,389,752	33%
2001	\$348,721,950	\$996,348,429	\$131,121,560	\$374,633,029	\$115,030,410	\$460,121,640	\$21,562,520	\$24,502,864	\$616,436,440	\$1,855,605,961	33%
2000	\$342,422,070	\$978,348,771	\$129,240,070	\$369,257,343	\$109,860,144	\$439,440,576	\$23,312,830	\$26,491,852	\$604,835,114	\$1,813,538,543	33%
1999	\$306,029,170	\$874,369,057	\$122,364,710	\$349,613,457	\$100,331,566	\$401,326,264	\$25,084,640	\$28,505,273	\$553,810,086	\$1,653,814,051	33%
1998	\$300,076,180	\$857,360,514	\$121,146,290	\$346,132,257	\$101,006,660	\$404,026,640	\$26,360,230	\$29,954,807	\$548,589,360	\$1,637,474,218	34%
1997	\$294,827,430	\$842,364,086	\$119,428,440	\$341,224,114	\$96,789,674	\$387,158,696	\$26,653,110	\$30,287,625	\$537,698,654	\$1,601,034,521	34%
1996	\$254,105,070	\$726,014,486	\$113,201,960	\$323,434,171	\$82,030,629	\$328,122,516	\$27,121,710	\$30,820,125	\$476,459,369	\$1,408,391,298	34%
1995	\$248,171,210	\$709,060,600	\$111,920,790	\$319,773,686	\$71,800,446	\$287,201,784	\$28,140,980	\$31,978,386	\$460,033,426	\$1,348,014,456	34%
1994	\$241,433,910	\$689,811,171	\$110,965,320	\$317,043,771	\$66,800,078	\$267,200,312	\$27,809,610	\$31,601,830	\$447,008,918	\$1,305,657,084	34%
1993	\$221,330,930	\$632,374,086	\$105,840,110	\$302,400,314	\$67,497,666	\$269,990,664	\$28,095,770	\$31,927,011	\$422,764,476	\$1,236,692,075	34%

Source: Montgomery County Auditor.

(1) Includes public utility real property.

(2) Includes personal property \$10,000 exemption.

(3) Ratio represents Total Assessed Value divided by Total Estimated Actual Value.

**TABLE 5**

**VANDALIA-BUTLER CITY SCHOOL DISTRICT, OHIO  
 PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
 (PER \$1,000 OF ASSESSED VALUATION)  
 LAST TEN CALENDAR YEARS (1)  
 1993-2002**

Collection Year	Montgomery	Dayton Metro	Butler	City of	City of	Miami Valley	Vandalia-Butler
	County	Library	Township	Vandalia	Union	Center	City School District
2002	17.24	0.26	16.94	4.14	15.67	2.58	44.66
2001	17.24	0.26	16.94	4.14	15.67	2.58	44.86
2000	16.64	0.26	17.60	4.14	15.67	2.58	45.06
1999	16.64	0.26	17.60	4.14	15.67	2.58	45.86
1998	16.64	0.26	17.60	4.14	0.00	2.58	45.86
1997	16.64	0.72	16.60	4.14	0.00	2.58	45.86
1996	16.64	0.72	15.10	4.14	0.00	2.58	47.86
1995	16.64	0.72	15.10	4.14	0.00	2.58	47.86
1994	16.14	0.00	15.10	4.14	0.00	2.58	42.91
1993	13.65	0.00	15.10	4.14	0.00	1.98	42.91

Source: Montgomery County Auditor.

(1) Montgomery County property tax rate records are maintained on a calendar / collection year basis.

**TABLE 6**

**VANDALIA-BUTLER CITY SCHOOL DISTRICT, OHIO  
 RATIO OF GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE  
 AND NET BONDED DEBT PER CAPITA  
 LAST TEN YEARS  
 1993-2002**

Collection Year	Population (1)	Total Assessed Value (2)		Gross Bonded Debt (3)		Less Debt Service Fund		Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
		Value (2)	Value (2)	Bonded Debt (3)	Bonded Debt (3)	Debt Service Fund	Debt			
2002	22,985	\$632,121,426	\$1,500,000	\$703,144	\$796,856				0.13%	\$35
2001	22,985	616,436,440	1,750,000	609,770	1,140,230				0.18%	50
2000	22,985	604,835,114	2,000,000	507,029	1,492,971				0.25%	65
1999	21,790	553,810,086	2,250,000	502,354	1,747,646				0.32%	80
1998	21,790	548,589,360	2,500,000	549,011	1,950,989				0.36%	90
1997	21,790	537,698,654	2,750,000	605,707	2,144,293				0.40%	98
1996	21,790	476,459,369	2,975,000	547,163	2,427,837				0.51%	111
1995	21,790	460,033,426	3,200,000	417,088	2,782,912				0.60%	128
1994	21,790	447,008,918	3,425,000	372,697	3,052,303				0.68%	140
1993	21,790	422,764,476	3,650,000	359,933	3,290,067				0.78%	151

**Sources:**

- (1) Census data for 1990 and 2000, estimates from the City of Vandalia and Butler Township
- (2) Montgomery County Auditor, calendar year basis.
- (3) Fiscal year 2002 is the first year reported on a GAAP basis.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT, OHIO  
COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30, 2002**

**TABLE 7**

Assessed Valuation		<u><u>\$632,121,426</u></u>
<b>OVERALL DIRECT DEBT LIMITATION</b>		
Direct Debt Limitation		
9% of Assessed Valuation		\$56,890,928
Amount Available in Debt Service Fund		703,144
Gross indebtedness	1,500,000	
Less: Debt Exempt from Limitation	<u>0</u>	
Debt Subject to 9% Limitation		<u>(1,500,000)</u>
Legal Debt Margin within 9% Limitation		<u><u>\$56,094,072</u></u>
<b>UNVOTED DIRECT DEBT LIMITATION</b>		
Unvoted Debt Limitation		
0.1% of Assessed Valuation		\$632,121
Amount available in Debt Service Fund related to unvoted debt		0
Gross indebtedness Authorized by the Board	0	
Less: Debt Exempt from Limitation	<u>0</u>	
Debt Subject to 0.1% Limitation		<u>0</u>
Legal Debt Margin within 0.1% Limitation		\$632,121
<b>ENERGY CONSERVATION BOND LIMITATION</b>		
Ohio Revised Code Section 133.042		
Debt Limitation		
0.9% of Assessed Valuation		\$5,689,093
Energy Conservation Notes Authorized by the Board		<u>0</u>
Legal Debt Margin within 0.9% Limitation		<u><u>\$5,689,093</u></u>

Source: Vandalia-Butler City School District Financial Records.



**VANDALIA-BUTLER CITY SCHOOL DISTRICT, OHIO  
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
 JUNE 30, 2002**

**TABLE 8**

Governmental Unit	Gross General Obligation	Percent Applicable to District	Amount Applicable to District
Direct:			
Vandalia-Butler City School District	\$1,500,000	100.00%	\$1,500,000
Overlapping:			
Montgomery County	40,614,870	6.90%	2,804,256
Butler Township	402,199	100.00%	402,199
City of Dayton	54,101,466	17.01%	9,204,645
City of Union	452,831	0.34%	1,557
City of Vandalia	12,178,494	100.00%	12,178,494
Miami Valley Career Technology Center	0	10.43%	0
Total overlapping	107,749,860		24,591,151
Total direct and overlapping debt	\$109,249,860		\$26,091,151

Source: Montgomery County Auditor and other governmental units respectively.

**TABLE 9**

**VANDALIA-BUTLER CITY SCHOOL DISTRICT, OHIO  
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR  
 GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES  
 LAST TEN FISCAL YEARS (1)  
 1993-2002**

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
2002	\$250,000	\$158,438	\$408,438	\$24,252,773	0.65%
2001	250,000	182,813	432,813	23,391,736	0.78%
2000	250,000	207,188	457,188	22,347,097	0.93%
1999	250,000	231,563	481,563	21,721,007	1.07%
1998	250,000	255,938	505,938	19,405,447	1.32%
1997	225,000	279,094	504,094	21,144,492	1.32%
1996	225,000	301,031	526,031	18,431,718	1.63%
1995	225,000	322,969	547,969	17,755,780	1.82%
1994	225,000	344,907	569,907	17,460,287	1.98%
1993	225,000	366,844	591,844	16,262,048	2.26%

Source: Vandalia-Butler City School District Financial Records.

(1) 2002 fiscal year is reported on GAAP basis; all prior years are reported on cash basis.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT, OHIO**  
**PROPERTY VALUE, FINANCIAL INSTITUTION DEPOSITS AND BUILDING PERMITS**  
**LAST TEN CALENDAR YEARS**  
**1992-2001**

**TABLE 10**

<u>Year</u>	<u>Real Estate Only Assessed Value (1)</u>	<u>Residential Conststruction (2)</u>	<u>Commerical Construction (2)</u>	<u>County Bank Deposits (3)</u>
2001	\$479,709,530	\$4,946,907	\$17,144,527	\$2,240,990,000
2000	471,662,140	5,625,950	21,750,852	1,914,730,000
1999	428,393,880	8,382,445	22,997,366	2,994,378,000
1998	421,222,470	10,057,827	11,496,840	3,264,705,000
1997	414,255,870	8,401,100	13,581,121	3,530,314,000
1996	367,307,030	10,918,125	10,382,823	3,899,145,000
1995	360,092,000	11,085,550	7,255,654	3,995,114,000
1994	352,399,230	8,370,400	9,156,475	4,034,766,000
1993	327,171,040	9,119,000	8,430,845	3,834,335,000
1992	324,210,420	4,347,531	8,773,993	4,068,798,000

Sources:

- (1) Montgomery County Auditor, calendar year basis.
- (2) City of Vandalia Building Department. Amounts not available from Butler Township or City of Union.
- (3) Federal Reserve Bank of Cleveland, amounts are for Montgomery County.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT, OHIO  
TOP TEN PRINCIPAL TAXPAYERS  
JUNE 30, 2002**

**TABLE 11**

Name of Taxpayer	Type of Business	Taxing District(s)	Real Property		Personal Property		Total		Percent of Total Assessed Valuation
			Assessed Valuation	Assessed Valuation	Assessed Valuation	Assessed Valuation	Assessed Valuation	Assessed Valuation	
Emery Air Freight & Airlines	Air cargo carrier	Dayton	\$0	\$24,007,280	\$24,007,280		\$24,007,280		3.8%
City of Dayton	Airport	Dayton	20,194,360	0	20,194,360		20,194,360		3.2%
Delphi Automotive Systems	Automotive supplier	Vandalia	4,425,870	13,781,400	18,207,270		18,207,270		2.9%
Dayton Power & Light	Gas, electric utility	Butler Township & Vandalia	11,636,360	0	11,636,360		11,636,360		1.8%
Ohio Bell Telephone Co	Telephone utility	Butler Township & Vandalia	5,821,940	0	5,821,940		5,821,940		0.9%
Sam's Club East	Retail warehouse	Butler Township	2,256,680	1,463,670	3,720,350		3,720,350		0.6%
EFTEC North America	Automotive supplier	Vandalia	0	3,004,970	3,004,970		3,004,970		0.5%
Park Ohio Holdings Corp	Property management	Vandalia	0	2,749,730	2,749,730		2,749,730		0.4%
B-W Limited Partnership	Property management	Vandalia	2,546,740	0	2,546,740		2,546,740		0.4%
The Iams Company	Pet food maker	Vandalia	2,451,330	0	2,451,330		2,451,330		0.4%
		Sub-Total	49,333,280	45,007,050	94,340,330		94,340,330		14.9%
		All Others	442,096,380	95,684,716	537,781,096		537,781,096		85.1%
		Grand Total	\$491,429,660	\$140,691,766	\$632,121,426		\$632,121,426		100.0%

Source: Montgomery County Auditor.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT, OHIO  
COST TO EDUCATE A 2002 GRADUATE  
JUNE 30, 2002**

**TABLE 12**

School Year (1)	Grade	Vandalia-Butler City Schools	State Average	Comparison (2)	Vandalia-Butler Annual Increase	State Average Annual Increase
2001-2002	12	\$7,641	\$8,073	(\$432)	1.0%	6.3%
2000-2001	11	7,563	7,591	(28)	7.3%	13.9%
1999-2000	10	7,050	6,663	387	3.8%	4.3%
1998-1999	9	6,795	6,388	407	8.4%	5.2%
1997-1998	8	6,271	6,071	200	3.6%	4.4%
1996-1997	7	6,051	5,814	237	11.0%	6.4%
1995-1996	6	5,452	5,466	(14)	-2.5%	1.4%
1994-1995	5	5,589	5,391	198	3.8%	3.3%
1993-1994	4	5,382	5,218	164	5.7%	6.9%
1992-1993	3	5,092	4,879	213	9.0%	1.1%
1991-1992	2	4,671	4,825	(154)	2.1%	5.6%
1990-1991	1	4,576	4,569	7	9.7%	9.9%
1989-1990	K	4,172	4,159	13		
TOTAL		\$76,305	\$75,107	\$1,198		

Source: Vandalia-Butler City School District Financial Records.

(1) Preliminary information for 2001-2002.

(2) Reported on a cash basis.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT, OHIO**  
**ENROLLMENT PROJECTIONS BY GRADE**  
**JUNE 30, 2002** **TABLE 13**

	P	K	1	2	3	4	5	6	7	8	9	10	11	12	U	Total
<u>Actual</u>																
1997-1998	25	259	285	254	253	257	269	309	274	270	333	278	287	266	21	3,640
1998-1999	27	206	280	269	244	258	265	275	309	273	349	266	245	271	27	3,564
1999-2000	22	249	226	255	255	251	261	263	289	317	321	280	264	273	24	3,550
2000-2001	23	232	281	220	252	250	253	275	287	285	346	274	283	246	24	3,531
2001-2002	26	182	260	244	210	256	259	259	286	270	336	323	273	253	29	3,466
<u>Projected</u>																
2002-2003	25	260	201	247	238	214	261	263	269	284	328	299	318	219	25	3,451
2003-2004	25	252	291	191	240	242	218	265	273	268	345	292	294	302	26	3,524
2004-2005	25	225	282	276	186	244	247	221	275	272	325	307	287	280	26	3,478
2005-2006	26	244	252	288	248	189	249	250	230	274	330	290	303	273	26	3,472
2006-2007	25	243	273	239	261	274	193	253	260	229	333	294	285	288	26	3,476
2007-2008	25	244	272	259	233	265	279	196	263	259	278	296	289	271	25	3,454
2008-2009	25	252	273	258	252	237	271	283	204	262	314	247	292	275	26	3,471
2009-2010	25	258	282	259	251	257	242	274	295	203	318	280	243	277	26	3,490
2010-2011	25	259	288	268	252	255	262	245	285	293	246	283	275	231	26	3,493
2011-2012	26	260	290	273	261	257	285	266	255	288	356	219	248	263	26	3,573

Source: Vandalia-Butler City School District Financial Records.

VANDALIA-BUTLER CITY SCHOOL DISTRICT, OHIO  
LEVY HISTORY

TABLE 14

Date of Election	Type of Issue	Purpose	Mills / Amount	Length	Result	For	Against	Total	% For
11/6/1951	Operating	Current expenses	2.41	5 years	Pass	1,050	180	1,230	85.37%
11/2/1954	Operating	Current expenses	4.00	5 years	Pass	1,464	319	1,783	82.11%
11/2/1954	Bond Issue	Stonequarry Elementary	\$640,000	25 years	Pass	1,519	305	1,824	83.28%
11/8/1955	Operating	Current expenses	5.00	5 years	Pass	1,426	511	1,937	73.62%
5/8/1956	Bond Issue	Butler High School	\$965,000	23 years	Pass	714	255	969	73.68%
11/6/1956	Operating	Current expenses	3.00	5 years	Pass	2,553	831	3,384	75.44%
5/21/1957	Bond Issue	Demmitt Elementary	\$490,000	22 years	Pass	1,205	519	1,724	69.90%
5/6/1958	Bond Issue	Equipment	\$409,000	23 years	Fail (60%)	1,000	821	1,821	54.91%
11/4/1958	Bond Issue	Equipment	\$225,000	23 years	Pass	2,578	1,189	3,767	68.44%
11/4/1958	Bond Issue	Auditorium	\$217,000	23 years	Pass	2,104	1,600	3,704	56.80%
11/3/1959	Operating	Current expenses	3.60	5 years	Pass	Information not available	Information not available		
5/3/1960	Operating	Current expenses	4.50	5 years	Pass	969	568	1,537	63.04%
5/3/1960	Operating	Current expenses	3.00	5 years	Fail	704	806	1,510	46.62%
11/8/1960	Operating	Current expenses	3.00	10 years	Pass	2,411	1,797	4,208	57.30%
11/7/1961	Operating	Current expenses	2.70	10 years	Pass	1,907	770	2,677	71.24%
11/5/1963	Bond Issue	Bus Garage	\$785,000	23 years	Pass	2,087	1,198	3,285	63.53%
11/3/1964	Operating	Current expenses	3.60	10 years	Pass	3,177	1,419	4,596	69.13%
11/2/1965	Operating	Current expenses	4.50	10 years	Pass	2,396	1,258	3,654	65.57%
11/7/1967	Operating	Current expenses	2.25	10 years	Pass	2,424	1,674	4,108	59.01%
11/7/1967	Bond Issue	Helke Elementary, Smith Middle	\$1,800,000	20 years	Pass	2,560	1,567	4,127	62.03%
5/6/1969	Operating	Current expenses	5.75	Continuing	Fail	1,123	1,325	2,448	45.87%
11/4/1969	Bond Issue	Helke Elementary addition	\$600,000	17 years	Pass	2,521	1,984	4,505	55.96%
12/9/1969	Operating	Current expenses	6.00	Continuing	Pass	1,883	1,455	3,338	56.41%
11/3/1970	Operating	Current expenses	2.80	Continuing	Pass	3,551	1,825	5,376	66.05%
11/2/1971	Operating	Current expenses	2.60	Continuing	Pass	4,024	1,107	5,131	78.43%
11/6/1973	Bond Issue	Athletics Complex	\$4,150,000	Continuing	Fail	2,357	2,557	4,914	47.96%
5/7/1974	Operating	Current expenses	3.05	Continuing	Pass	2,883	983	3,866	74.57%
5/7/1974	Operating	Current expenses	6.50	Continuing	Fail	1,794	2,024	3,818	46.99%
7/30/1974	Operating	Current expenses	6.50	Continuing	Pass	1,732	1,589	3,321	52.15%
11/4/1975	Operating	Current expenses	3.65	Continuing	Pass	3,497	1,536	5,033	69.48%
6/7/1977	Bond Issue	Athletics Complex	\$4,000,000	Continuing	Fail	1,317	1,843	3,160	41.68%
11/8/1977	Operating	Current expenses	1.90	Continuing	Pass	4,390	1,704	6,094	72.04%
8/2/1983	Operating	Current expenses	0.80	Continuing	Pass	1,890	1,568	3,458	54.66%
8/2/1983	Bond Issue	Student Activity Center	\$5,450,000	Continuing	Fail	1,730	1,744	3,474	49.80%
2/7/1984	Bond Issue	Student Activity Center	\$5,450,000	Continuing	Pass	1,750	1,685	3,435	50.95%
2/2/1988	Operating	Current expenses	6.00	Continuing	Fail	2,408	2,515	4,923	48.91%
11/8/1988	Operating	Current expenses	6.00	3 years	Pass	6,285	4,627	10,912	57.60%
11/6/1990	Capital Projects	Capital improvements	1.00	5 years	Fail	3,849	4,134	7,983	48.21%
5/7/1991	Operating	Current expenses	5.00	3 years	Pass	2,775	1,386	4,161	66.69%
5/4/1993	Bond Issue	New middle school plus renovations	\$18,900,000	Continuing	Fail	2,836	3,332	6,168	45.98%
11/2/1993	Bond Issue	New middle school plus renovations	\$17,550,000	Continuing	Fail	3,239	3,460	6,699	48.35%
5/3/1994	Operating	Current expenses	9.95	3 years	Pass	3,480	2,300	6,680	52.10%
3/19/1996	Operating	Current expenses	8.79	5 years	Pass	2,848	1,444	4,292	66.36%
5/6/1997	Operating	Current expenses	2.90	Continuing	Fail	1,807	2,467	4,274	42.28%
5/8/2001	Operating	Current expenses	7.37	5 years	Pass	1,950	487	2,437	80.02%

**VANDALIA-BUTLER CITY SCHOOL DISTRICT, OHIO  
STUDENT TEST SCORES SUMMARY  
JUNE 30, 2002**

Ohio Proficiency Test (1)	4th grade	6th grade	9th grade	cumulative		12th grade	Student Attendance Rate	Graduation Rate
				9th grade	9th grade			
Citizenship	59.9%	69.7%	89.2%	93.4%	93.4%	72.8%		
Mathematics	66.4%	73.4%	80.4%	93.1%	93.1%	77.9%		
Reading	54.9%	61.6%	94.4%	95.6%	95.6%	77.0%		
Writing	89.5%	81.0%	97.9%	97.4%	97.4%	89.7%		
Science	57.8%	64.8%	90.9%	92.7%	92.7%	68.5%	94.9%	91.0%

American College Test (ACT) (4)(5)	Score
Vandalia-Butler	22.6
Ohio	21.4
Nation	20.8

Scholastic Aptitude Test (SAT) (5)	Score
Verbal	
Vandalia-Butler	533
Ohio	533
Nation	504
Mathematics	
Vandalia-Butler	559
Ohio	540
Nation	516

Source: Vandalia-Butler City School District Records.

- (1) Preliminary percentages represent students' achievement on the Ohio Proficiency tests during the 2001-2002 school year.
- (2) The 9th grade Proficiency Test is administered to students in the 8th grade.
- (3) The cumulative 9th grade Proficiency Test results include 10th grade students retaking the test.
- (4) Required for admission to most Ohio colleges and universities.
- (5) Represents district's most recent figures, which are from the 2001-2002 school year.



**TABLE 16**

**VANDALIA-BUTLER CITY SCHOOL DISTRICT, OHIO  
 DEMOGRAPHIC STATISTICS  
 LAST TEN YEARS  
 1993-2002**

<u>Year</u>	<u>Population (1)(5)</u>	<u>School Enrollment (2)</u>	<u>Average Federal Income (3)</u>	<u>Unemployment Rate Montgomery County (4)</u>
2002	22,985	3,466	Information not available	5.3%
2001	22,985	3,531	Information not available	4.3%
2000	22,985	3,550	\$50,415	3.8%
1999	21,790	3,564	49,746	3.8%
1998	21,790	3,640	47,439	4.1%
1997	21,790	3,590	44,240	4.0%
1996	21,790	3,574	40,712	4.4%
1995	21,790	3,435	40,161	4.0%
1994	21,790	3,612	38,228	4.9%
1993	21,790	3,562	36,708	5.4%

**Sources:**

- (1) Based on Census 2000 data. All other years are estimates from the Cities of Vandalia and Union and Butler Township.
- (2) Vandalia-Butler City School District Financial Records.
- (3) Ohio Department of Taxation, 2000 information most recent available.
- (4) Ohio Bureau of Employment Services.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT, OHIO  
MISCELLANEOUS STATISTICS  
JUNE 30, 2002**

**TABLE 17**

Year Butler Township School formed	1807
Year Vandalia Village School District formed	1869
Year consolidated Butler Township Schools formed	1921
Year present charter as Vandalia-Butler Schools formed	1956

Form of Government Public school district; five member Board of Education

Population 22,985

Area of District 36.0 square miles

Full-time Equivalent Certificated Staff 245

Full-time Equivalent Classified Staff 190

Full-time Equivalent Total Staff 435

Average Years Teaching Experience 14.3

Percent of Certificated Staff with Advanced Degrees 58%

School Facility	Address	Phone	Principal	Grades	Enrollment
Demmitt Elementary School	1010 East National Road, Vandalia, Ohio 45377	937.415.6500	Mr. Gene Paul	K-4	432
Helke Elementary School	611 Randler Drive, Vandalia, Ohio 45377	937.415.3000	Mr. Dan Mecoli	K-4	356
Murlin Heights Elementary School	8515 North Dixie Drive, Dayton, Ohio 45414	937.415.3900	Mrs. Kerry Elifritz	K-4	393
Morton Middle School	231 West National Road, Vandalia, Ohio 45377	937.415.6600	Mr. Gary Miller	5-8	557
Smith Middle School	3625 Little York Road, Dayton, Ohio 45414	937.415.7000	Mrs. Laura Bemus	5-8	515
Butler High School	600 South Dixie Drive, Vandalia, Ohio 45414	937.415.6300	Mr. Jeff Cassell	9-12	1,213
					<u>3,466</u>

**District Vision Statement:**

The vision of Vandalia-Butler Schools is to inspire all students to be passionate about learning, participate as citizens, and acquire skills to live, lead, and serve with excellence.

Source: Vandalia-Butler City School District Records and Strategic Plan.



**Auditor of State  
Betty Montgomery**

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**VANDALIA-BUTLER CITY SCHOOL DISTRICT**

**MONTGOMERY 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  
APRIL 8, 2003**