



**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Greenville City School District
Darke County
Memorial Hall
215 West Fourth Street
Greenville, Ohio 45331

To the Board of Education:

We have audited the accompanying financial statements of Greenville City School District, Darke County, (the "District"), as of and for the year ended June 30, 2000. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Ohio Administrative Code Section 117-2-01 requires the District to prepare its annual financial report in accordance with generally accepted accounting principles. However, as discussed in Note 2, the District prepares its financial statements on the basis of accounting formerly prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles. The accompanying financial statements omit assets, liabilities, fund equities, and disclosures that, while material cannot be determined at this time.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash, investments, and combined fund cash balances of Greenville City School District, Darke County, as of June 30, 2000, and its combined cash receipts and disbursements and its combined budgeted and actual receipts and budgeted and actual disbursements and encumbrances, for the year then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 21, 2000, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

This report is intended solely for the information and use of the audit committee, management, Board of Education and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

September 21, 2000

**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
AND SIMILAR FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2000**

	Governmental Fund Types			Fiduciary	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Project		Expendable Trust
Receipts:						
Property and Other Taxes	\$9,155,715		\$0	\$554,307		\$9,710,022
Income Tax	1,641,974					1,641,974
Tuition	599,482	\$7,345				606,827
Transportation Fees	25,206					25,206
Earnings on Investment	535,057	3,265			\$6,256	544,578
Extracurricular Activities		302,688				302,688
Classroom Materials and Fees	82,712					82,712
Miscellaneous Receipts	42,041	180,919		6,330	2,833	232,123
Total Local Sources	12,082,187	494,217	0	560,637	9,089	13,146,130
Restricted Grants-In-Aid	5,408	48,344			8,500	62,252
Total Intermediate Sources	5,408	48,344	0	0	8,500	62,252
Unrestricted Grants-In-Aid	8,692,116	25,000		51,690		8,768,806
Restricted Grants-In-Aid	48,211	535,957		118,529		702,697
Total State Sources	8,740,327	560,957	0	170,219	0	9,471,503
Unrestricted Grants-In-Aid	36,034					36,034
Restricted Grants-In-Aid		826,979				826,979
Total Federal Sources	36,034	826,979	0	0	0	863,013
Total Receipts	20,863,956	1,930,497	0	730,856	17,589	23,542,898
Disbursements:						
Regular Instruction	9,152,432	316,151		120,386		9,588,969
Special Instruction	1,764,735	325,092				2,089,827
Vocational Instruction	1,597,260	142,912				1,740,172
Adult/Continuing		53,616				53,616
Other Instruction	2,902					2,902
Total Instruction	12,517,329	837,771	0	120,386	0	13,475,486
Support Services:						
Pupils	941,481	50,670				992,151
Instructional Staff	632,651	269,632				902,283
Board of Education	44,210					44,210
School Administration	1,752,274	147,985		123,562		2,023,821
Fiscal	545,503			24,462		569,965
Business	1,884					1,884
Operation and Maintenance	1,104,186	3,032				1,107,218
Student Transportation	851,395	661				852,056
Support Services - Central	86,359	7,637				93,996
Total Support Services	5,959,943	479,617	0	148,024	0	6,587,584

**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
AND SIMILAR FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2000
(Continued)**

	Governmental Fund Types			Capital Project	Fiduciary Fund Expendable Trust	Totals (Memorandum Only)
	General	Special Revenue	Debt Service			
Operation of Non-Instructional Service Community Services		174,717			5,000	179,717
Extracurricular Activities						
Academic and Subject Oriented	64,403	5,352				69,755
Sports Oriented	183,351	192,366				375,717
Co-Curricular Activities		125,697				125,697
Total Extracurricular Activities	247,754	323,415	0	0	0	571,169
Other Facilities Acquisition & Construction						
Site Acquisition				12,856		12,856
Site Improvement	13			0		13
Building Improvement	55,769			541,174		596,943
Total Other Facilities Acquisition & Construction	55,782	0	0	554,030	0	609,812
Debt Services			81,649			81,649
Total Disbursements	18,780,808	1,815,520	81,649	822,440	5,000	21,505,417
Excess of Receipts Over/ (Under) Disbursements	2,083,148	114,977	(81,649)	(91,584)	12,589	2,037,481
Sale and Loss of Assets	1,412			12,379		13,791
Operating Transfers-In		65,000	64,446			129,446
Advances In	53,115	35,615				88,730
Refund of Prior Year Expenditures	13,385	1,613			8,172	23,170
Operating Transfers-Out	(129,446)					(129,446)
Advances Out	(50,615)	(38,115)				(88,730)
Refunds of Prior Year Receipts	(27,298)	(27,239)				(54,537)
Other Miscellaneous Sources		(2,000)		(8,228)		(10,228)
Total Other Financing Sources (Uses)	(139,447)	34,874	64,446	4,151	8,172	(27,804)
Excess of Receipts and Other Sources Over/(Under) Disbursements and Other Uses	1,943,701	149,851	(17,203)	(87,433)	20,761	2,009,677
Fund Cash Balances, July 1, 1999	4,519,734	961,416	51,043	1,557,783	131,991	7,221,967
Fund Cash Balances, June 30, 2000	\$6,463,435	\$1,111,267	\$33,840	\$1,470,350	\$152,752	\$9,231,644
Reserve for Encumbrances	\$750,523	\$232,268	\$0	\$381,739	\$0	\$1,364,530

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

Note: the general fund cash balance at July 1, 1999 contained a statutory reserve balance for budget stabilization in the amount of \$221,829. At June 30, 2000, there is a restricted cash balance in the general fund of \$371,694 in the budget stabilization reserve. See note 13 to these financial statements.

**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE
AND SIMILAR FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2000**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Types</u>		Totals (Memorandum Only)
	<u>Enterprise</u>	<u>Non Expendable Trust</u>	<u>Agency</u>	
Operating Receipts:				
Tuition	\$5,625			\$5,625
Earnings on Investment		\$1,653		1,653
Food Services	388,784			388,784
Extracurricular Activities	2,216		\$133,223	135,439
Classroom Materials and Fees	37,606			37,606
Charges for Services	71,764			71,764
Miscellaneous	17,310		20,000	37,310
Total Receipts	<u>523,305</u>	<u>1,653</u>	<u>153,223</u>	<u>678,181</u>
Operating Disbursements:				
Personal Services - Salaries	299,375			299,375
Employees' Retirement and Insurance	79,582			79,582
Purchased Services	15,555			15,555
Supplies and Materials	274,701			274,701
Capital Outlay	23,921		1,120	25,041
Other Objects	2,392	500	146,849	149,741
Total Disbursements	<u>695,526</u>	<u>500</u>	<u>147,969</u>	<u>843,995</u>
Excess of Cash Operating Receipts Over/ (Under) Operating Disbursements	(172,221)	1,153	5,254	(165,814)
Non-Operating Receipts/(Disbursements)				
Earnings on Investment	15,588			15,588
Sale and Loss of Assets	250			250
Grants-in-Aid on Behalf of District			954	954
State Grants-in-Aid	13,102			13,102
Federal Grants-in-Aid	239,315		2,212	241,527
Refund of Prior Year's Expenditures			312	312
Total Non-Operating Receipts/(Disbursements)	<u>268,255</u>	<u>0</u>	<u>3,478</u>	<u>271,733</u>
Excess of Receipts Over / (Under) Disbursements Before Interfund Transfers	96,034	1,153	8,732	105,919
Advances In	5,000			5,000
Advances Out	(5,000)			(5,000)
Net Excess of Receipts Over / (Under) Disbursements	<u>96,034</u>	<u>1,153</u>	<u>8,732</u>	<u>105,919</u>
Fund Cash Balance, July 1, 1999	<u>264,223</u>	<u>34,569</u>	<u>66,126</u>	<u>364,918</u>
Fund Cash Balance, June 30, 2000	<u>\$360,257</u>	<u>\$35,722</u>	<u>\$74,858</u>	<u>\$470,837</u>
Reserve for Encumbrances	<u>\$10,343</u>	<u>\$0</u>	<u>\$9,440</u>	<u>\$19,783</u>

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

**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

**COMBINED STATEMENT OF RECEIPTS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000**

<u>Fund Types/Funds</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Governmental			
General	\$20,005,776	\$20,878,753	\$872,977
Special Revenue	2,020,482	1,997,110	(23,372)
Debt Service	64,446	64,446	0
Capital Projects	693,530	743,235	49,705
Proprietary			
Enterprise	733,054	791,560	58,506
Fiduciary			
Trust and Agency	165,827	184,115	18,288
Total (Memorandum Only)	<u>\$23,683,115</u>	<u>\$24,659,219</u>	<u>\$976,104</u>

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

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**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

**COMBINED STATEMENT OF DISBURSEMENTS AND
ENCUMBRANCES COMPARED WITH EXPENDITURE AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2000**

Fund Types/Funds	Prior Year Carryover Appropriations	2000 Appropriations	Total
Governmental			
General	\$818,253	\$20,572,541	\$21,390,794
Special Revenue	167,171	2,072,938	2,240,109
Debt Service	0	81,649	81,649
Capital Projects	162,433	1,809,604	1,972,037
Proprietary			
Enterprise	5,390	820,912	826,302
Fiduciary			
Trust and Agency	7,782	207,763	215,545
Total (Memorandum Only)	<u>\$1,161,029</u>	<u>\$25,565,407</u>	<u>\$26,726,436</u>

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

Actual Disbursements	Encumbrances Outstanding At 6/30/00	Total	Variance Favorable (Unfavorable)
\$18,937,552	\$750,523	\$19,688,075	\$1,702,719
1,844,759	232,268	2,077,027	163,082
81,649	0	81,649	0
830,668	381,739	1,212,407	759,630
695,526	10,343	705,869	120,433
<u>153,469</u>	<u>9,440</u>	<u>162,909</u>	<u>52,636</u>
<u><u>\$22,543,623</u></u>	<u><u>\$1,384,313</u></u>	<u><u>\$23,927,936</u></u>	<u><u>\$2,798,500</u></u>

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**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000**

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Greenville City School District (the "District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The District provides educational services as authorized by state statute and/or federal guidelines.

The District was established through the consolidation of existing land areas and school districts. The District serves an area of approximately 126 square miles. It is located in Darke County, and includes all of the City of Greenville and portions of surrounding townships. The District is the 115th largest in the State of Ohio (among 612 school districts) in terms of enrollment. It is staffed by 134 non-certificated employees, 255 certificated full-time teaching personnel and administrative employees who provide services to 3,557 students and other community members. The District currently operates (7) instructional buildings, an administrative building, and bus maintenance garage.

Reporting Entity

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

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

The following activities are included within the reporting entity:

Parochial Schools - Within the School District boundaries, one chartered school is operated through the Catholic Diocese; Faith Christian and De Colores Montessori School are operated as private charter schools. Current State legislation provides funding to these parochial and private schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the District, as directed by the parochial and private charter schools. The activity of these State monies by the District are reflected in a special revenue fund for financial reporting purposes.

The District is associated with two organizations which are defined as jointly governed organizations, two insurance purchasing pools, and one related organization. These organizations include (for transmission of reports), the Southwestern Ohio Educational Purchasing Cooperative, Metropolitan Dayton Educational Cooperative Association, Southwestern Ohio EPC and Workers' Compensation Group Rating Plan, and Greenville Public Library. These organizations are presented in Notes 10, 11 and 12 to the financial statements.

**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Although required by Ohio Administrative Code Section 117-2-01 to prepare its annual financial report in accordance with generally accepted accounting principles, the District chooses to prepare its financial statements on the basis of accounting formerly prescribed or permitted for school districts by the Auditor of State. This basis of accounting is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as formerly prescribed or permitted for school districts by the Auditor of State.

A. Basis of Presentation - Fund Accounting

The District maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Fund Types

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

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

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

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

Proprietary Fund Type

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

**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation - Fund Accounting (Continued)

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

Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include expendable trust, non-expendable trust, and agency funds.

B. BUDGETARY PROCESS

1. Budget

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as Secretary of the County Budget Commission, by January 20 of each year, for the period July 1 to June 30 of the following fiscal year.

2. Estimated Resources

The County Budget Commission certifies its actions to the District by March 1. As part of this certification, the District receives the official certificate of estimated resources which states the projected receipts of each fund. On or about July 1 this certificate is amended to include any unencumbered balances from the preceding fiscal year. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. Budget receipts as shown in the accompanying financial statements do not include July 1, 1999, unencumbered fund balances. However, those fund balances are available for appropriations.

3. Appropriations

A temporary appropriation measure to control cash disbursements may be passed on or about July 1 of each year for the period July 1 to September 30. An annual appropriation measure must be passed by October 1 of each year for the period July 1 to June 30. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BUDGETARY PROCESS (Continued)

4. Encumbrances

The District is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated.

C. CASH AND INVESTMENTS

To improve cash management, all cash received by the District Treasurer is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the District's accounting records.

Investments are stated at cost which approximates market value. Investment earnings are allocated as authorized by State statute based upon District policy.

D. PROPERTY, PLANT AND EQUIPMENT

Fixed assets acquired or constructed for general governmental service are recorded as expenditures. Depreciation is not recorded for these fixed assets.

E. UNPAID VACATION AND SICK LEAVE

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the District.

F. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

3. DEPOSITS AND INVESTMENTS

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

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

**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

3. DEPOSITS AND INVESTMENTS (Continued)

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.

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

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, 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 moneys deposited with the institution.

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

1. United States treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes debentures or any other obligations or security 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; and
6. The State Treasurer's investment pool (STAR Ohio)
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.
8. Under certain circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

3. DEPOSITS AND INVESTMENTS (Continued)

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

At fiscal year end, the District had \$13,841 in undeposited cash on hand which is included in the fund balance.

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

Deposits: At fiscal year end, the carrying amount of the District's deposits were \$9,659,874 and the bank balance was \$10,026,465. Of the bank balance, \$244,807 was covered by federal depository insurance and \$9,781,685 was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the District to a successful claim by the Federal Deposit Insurance Corporation.

Investments: The District's investments are categorized below to give an indication of the level of risk assumed by the District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the District's name. At June 30, 2000, the District had mutual funds,(category 3), received as a donation during fiscal year 1999, in the amount of \$ 28,766.

4. DEBT OBLIGATIONS

Debt outstanding at June 30, 2000, consisted of the following:

Energy Conservation Bonds	
Principal Outstanding	\$ 60,000
Interest Rate	4.94 %
General Obligation Bonds	
Principal Outstanding	\$ 30,000
Interest Rate	5.875%

The outstanding energy conservation bonds consisted of two issues whose purposes are to implement the energy conservation measures provided for in House Bill 264.

The outstanding general obligation bonds were issued for the construction of a vocational education building in 1978.

General obligation bonds are direct obligations of the District for which its full faith, credit and resources are pledged and are payable from taxes levied on all property in the District.

**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

4. DEBT OBLIGATIONS (Continued)

The total requirements to amortize all debt outstanding as of June 30, 2000, including interest payments of \$3,245 are annually listed as follows:

Year Ending June 30	General Obligation Bonds	Energy Conservation Bonds
2001	\$16,322	\$61,482
2002	<u>15,441</u>	<u>0</u>
Total	<u>\$31,763</u>	<u>\$61,482</u>

5. PROPERTY TAX

Real property taxes are levied on assessed values which equal 35% of appraised value. The county auditor reappraises all real property every six years with a triennial update. The last appraisal was completed for tax year 1999 with the triennial update being calculated in 2002.

Real property taxes become a lien on all non-exempt real property located in the county on January 1. 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 of the following year. Under certain circumstances, state statute permits later payment dates to be established. The state automatically allows 30 days for extension and the County Treasurer may request additional 30 days. In Darke County, taxes are generally payable in February due to the County Treasurer's normal use of the automatic request followed by an approved extension.

The full tax rate applied to real property for the fiscal year ended June 30, 2000, was \$33.40 per \$1,000 of assessed valuation. After adjustment of the rate of inflationary increases in property values, the effective tax rate was \$24.01 per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$26.93 per \$1,000 of assessed valuation for all other real property.

Real property owners' tax bills are further reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the District by the State of Ohio.

Owners of tangible personal property are required to file a list of such property including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost. The tax rate applied to tangible personal property for the fiscal year ended June 30, 2000 was \$33.40 per \$1,000 of assessed valuation.

**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

5. PROPERTY TAX (Continued)

Real Property - 1999 Valuation	
Residential/Agricultural	\$242,713,270
Commercial/Industrial	67,105,090
Public Utilities	36,200
Tangible Personal Property - 2000 Valuation	
General	85,643,080
Public Utilities	<u>28,544,300</u>
Total Valuation	<u>\$424,041,940</u>

The Darke County Treasurer collects property tax on behalf of all taxing districts within the county. The Darke County Auditor periodically remits to the taxing districts their portions of the taxes collected.

6. INCOME TAX

The District levies a voted tax of .5 percent for general operations on the income of residents and estates. The tax was effective on January 1, 1990, and is a continuing tax. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The total amount of \$ 1,641,974 was received during the fiscal year ending June 30, 2000. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund.

7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2000 the District contracted with Nationwide Agribusiness Insurance Company for property and fleet insurance, liability insurance, and inland marine coverage.

**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

7. RISK MANAGEMENT (Continued)

Coverages provided by Nationwide Agribusiness Insurance Company are as follows:

Building and Contents-replacement cost	(\$1,000 deductible)	\$56,323,100
Inland Marine Coverage	(100 deductible)	60,967
Boiler and Machinery	(1,000 deductible)	16,400,400
Pubic Employee Dishonesty	(no deductible)	5,000
Automobile Liability including Uninsured Motorists	(250 deductible)	1,000,000 each accident
Electronic Data Processing Hardware	(250 deductible)	100,000
Musical Instruments Coverage	(100 deductible)	595,023
Photographic Equipment Coverage	(100 deductible)	15,715
General Liability		
Per Occurrence Limit		1,000,000
General Aggregate Limit		5,000,000

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

For fiscal year 2000, the District participated in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Program (SOEPC GRP), an insurance purchasing pool. The intent of the SOEPC 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 SOEPC GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the SOEPC GRP. Each participant pays its workers' compensation premium to the State based on the rate for the SOEPC GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the SOEPC 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 SOEPC GRP. Participation in the SOEPC GRP is limited to school districts that can meet the SOEPC GRP's selection criteria. The firm of Anthem provides administrative, cost control and actuarial services to the SOEPC GRP.

**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

8. DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2000, 5.5 percent respectively of annual covered salary was the portion used to fund pension obligations. For fiscal year 1999, 7.7 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$147,544, \$138,249, and \$149,167, respectively.

B. State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

For the fiscal year ended June 30, 2000, plan members were required to contribute 9.3 percent of their annual covered salaries. The District was required to contribute 14 percent; 6 percent was the portion used to fund pension obligations for 1999 and 2000. For fiscal year 1998, the portion used to fund pension obligations was 10.5 percent. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$ 647,499, \$629,403, and \$1,038,396, respectively.

**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

9. POST-EMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are 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 law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2000, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$863,332 for fiscal year 2000.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 1999, (the latest information available) the balance in the Fund was \$2,783 million. For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, 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.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2000, employer contributions to fund health care benefits were 8.5 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay was established at \$12,400. For the District, the amount contributed to fund health care benefits, including the surcharge, during the 2000 fiscal year equaled \$173,683.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 1999 (the latest information available), were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$188 million. SERS has approximately 51,000 participants currently receiving health care benefits.

**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

10. JOINTLY GOVERNED ORGANIZATIONS

Southwestern Ohio Educational Purchasing Council - The Southwestern Ohio Educational Purchasing Council (SOEPC) is a purchasing cooperative made up of nearly 100 school districts in 12 counties. The Montgomery County Educational Service acts as the Fiscal agent for the group. The purpose of the cooperative 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 by the Fiscal Agent. 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 2000 the District paid \$1,731 to SOEPC. To obtain financial information write to Southwestern Ohio Educational Purchasing Council, Robert Brown serving as director at 1831 Harshman Road, Dayton, Ohio 45424.

Metropolitan Dayton Educational Cooperative Association - The District is a participant in the Metropolitan Dayton Educational Cooperative Association (MDECA) which is a computer consortium. (MDECA) is an association of public school districts in a geographic region determined by the Ohio Department of Education. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts.

The governing board of (MDECA) consists of one representative from each of the participating members. The District paid (MDECA) \$11,575 for services provided during fiscal year 2000. Financial information can be obtained from (MDECA) located at 201 Riverside Drive, Suite 1C, Dayton, Ohio 45405.

11. GROUP INSURANCE PURCHASING POOL

The District is a member of the Southwestern Ohio Educational Purchasing Council (the Council), a public entity shared risk pool consisting of seventy school districts. The Cooperative is organized as a Voluntary Employee Benefit Association under Section 501 (c)(9) of the Internal Revenue Code and provides sick, accident and other benefits to the employees of the participating school districts. Each participating school district's superintendent is appointed to a Board of Directors which advises the Trustee, National City Bank, concerning aspects of the administration of the Council.

Each school district decides which plans offered by the Administrative Committee will be extended to its employees. Participation in the Cooperative is by written application subject to acceptance by the Board of Directors and payment of monthly premiums. Financial information can be obtained from Barbara Coriell, who serves as administrator, at EPC Benefits Office, 1831 Harshman Road, Dayton, Ohio 45424.

The District participates in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Program (SOEPC GRP), an insurance purchasing pool. The SOEPC 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 EPC. The Executive Director of the EPC, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the SOEPC GRP to cover the costs of administering the program.

**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

12. RELATED ORGANIZATION

The Greenville Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Greenville City School District Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies. Although the District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Greenville Public Library, Diana Wagner, Clerk/Treasurer, at 520 Sycamore Street, Greenville, Ohio 45331.

13. STATUTORY RESERVES

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2000, the reserve activity was as follows:

	<u>Textbook Reserve</u>	<u>Capital Maintenance Reserve</u>	<u>Budget Stabilization Reserve</u>	<u>Total</u>
Set-Aside Cash Balance June 30, 1999	\$ 0	\$ 0	\$ 221,829	\$221,829
Current Year Set-Aside Requirement	449,595	449,595	149,865	1,049,055
Current Year Offset	0	(449,595)	0	(449,595)
Qualifying Disbursements	<u>(449,595)</u>	<u>0</u>	<u>0</u>	<u>(449,595)</u>
Cash Balance Carried Forward to FY 2001	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 371,694</u>	
Total Restricted General Fund Balance As of June 30, 2000				<u>\$371,694</u>

The actual offset credit for the capital maintenance for the permanent improvement levy was \$509,076. Expenditures for textbook activity were \$455,849 which exceeded the required set-aside and the reserve balances.

14. CONTINGENCIES

A. Grants

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

**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

14. CONTINGENCIES (Continued)

B. Litigation

The District is party to legal proceedings. The District is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the District.

15. STATE SCHOOL FUNDING DECISION

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$7,776,422 school foundation support for its general fund.

In addition, the Court declared the classroom facilities program unconstitutional, because, in the Court's opinion, the program had not been sufficiently funded by the State. The classroom facilities program provides money to build schools and furnish classrooms. The School District has been approved to participate in the program; however, they have not received any funds as of June 30, 2000.

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

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

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

**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

16. CONTRACTUAL COMMITMENTS

As of June 30, 2000, the District had contractual purchase commitments as follows:

Vendor	Project	Amount Remaining on Contract
Jane & John Spidel	Land Purchase	\$ 325,000
Lester & Mary Frances Shultz	Land Purchase	99,640
Myers Equipment	buses	146,586
Paul Siefring Construction	High School Athletic Addition: General Contract	152,500
A-Perfect Enterprise	High School Athletic Addition: HVAC and Plumbing Contract	39,140
Kossler Electric	High School Athletic Addition: Electric Contract	9,354
Kremer Roofing, Inc.	High School Athletic Addition: Roofing Contract	10,234
Bruns Building & Development	South Elementary Asphalt	70,715

**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

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

Federal Grantor/ Pass Through Grantor or Direct Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
(Passed through Ohio Department of Education)						
Nutrition Cluster:						
Food Distribution Program		10.550	\$0	\$62,360	\$0	\$73,337
School Breakfast Program	044099 05-PU 98	10.553	10,552	0	10,552	0
National School Lunch Program	044099 03&04-PU	10.555	228,763	0	228,763	0
Total U.S. Department of Agriculture - Nutrition Cluster			239,315	62,360	239,315	73,337
U.S. DEPARTMENT OF EDUCATION						
(Passed through Ohio Department of Education)						
Adult Education - State Grant Program	044099 AB-S1 99	84.002	9,165	0	15,612	0
	044099 AB-S1 99C	84.002	6,133	0	6,133	0
	044099 AB-S1 00	84.002	20,100	0	15,094	0
Total Adult Education - State Grant Program			35,398	0	36,839	0
Title I Grants to Local Educational Agencies	044099 C1-S1-99	84.010	76,156	0	128,918	0
	044099 C1-S1-99C	84.010	64,358	0	64,358	0
	044099 C1-S1-00	84.010	171,639	0	130,396	0
Total Title I Grants to Local Educational Agencies			312,153	0	323,672	0
Special Education - Grants to States	044099 6B-SF 99	84.027	16,589	0	47,408	0
	044099 6B-SF 00	84.027	172,148	0	138,402	0
Total Special Education - Grants to States			188,737	0	185,810	0
Vocational Education - Basic Grants to States	044099 2C-01-99	84.048	6,499	0	24,599	0
	044099 2C-01-00	84.048	40,316	0	39,536	0
Total Vocational Education - Basic Grants to States			46,815	0	64,135	0
Goals 2000 - Report Card Postage Reimbursement	044099 G2-S2-99	84.276	1,654	0	1,654	0
Goals 2000 - State and Local Education Systemic Improvement	044099 G2-RC 00	84.276	0	0	13,791	0
Total Goals 2000			1,654	0	15,445	0
Innovative Education Program Strategy	044099-C2- S1 99	84.298	2,693	0	15,565	0
	044099-C2- S1 99	84.298	(132)	0	1,429	0
	044099 C2- S1 00	84.298	11,879	0	4,316	0
Total - Innovative Education Program Strategy			14,440	0	21,310	0
Eisenhower Professional Development State Grants	044099 MS-S1 99	84.281	0	0	6,953	0
	044099 MS-S1 99	84.281	0	0	4,869	0
	044099 MS-S1 00	84.281	13,161	0	9,223	0
Total Eisenhower Professional Development State Grant			13,161	0	21,045	0
Safe & Drug Free School and Community - State Grants	044099-DR-S1 99	84.186	1,716	0	4,538	0
	044099-DR-S1 00	84.186	14,403	0	11,003	0
Total Safe & Drug Free School and Community - State Grants			16,119	0	15,541	0
Reducing Class Size Grant	044099-CR-S1-00	84.340	54,950	0	47,228	0
REA Tutorial Assistance Grants	044099-RN-S2	84.338	6,370	0	0	0
Total U.S. Department of Education			689,797	0	731,025	0
U.S. DEPARTMENT-NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES						
(Passed through State Library of Ohio)						
State Library Program	1-5-00	45.310	15,000	0	10,939	0
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
(Passed through Ohio Department of Education)						
Child Care & Development Block Grant	044099 DC-S1 99	93.575	0	0	6,856	0
(Passed through Ohio Department of Jobs and Family Services)						
Medical Assistance Program - CAFS		93.778	36,034	0	36,034	0
Total U.S. Department of Health and Human Services			36,034	0	42,890	0
U.S. DEPARTMENT OF LABOR						
(Passed through Ohio Department of Education)						
Employment Services and Job Training Pilot	044099-99BO407	17.249	22,000	0	19,879	0
Total Federal Assistance			\$1,002,146	\$62,360	\$1,044,048	\$73,337

The accompanying notes to the Federal Schedule of Awards Expenditure are an integral part of this statement

**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
JUNE 30, 2000**

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B--FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the schedule at the fair market value of the commodities received and consumed. At June 30, 2000, the District had no significant food commodities in inventory.

NOTE C--NATIONAL SCHOOL LUNCH AND BREAKFAST PROGRAMS

Monies are commingled with State grants and local monies. It is assumed federal monies are expended first.

NOTE D--FEDERAL MONIES EXCLUDED FROM SCHEDULE

The District received \$15,714 in services performed by the Darke County Educational Service Center from the federal Pre-School Program. These monies were excluded from the federal schedule of awards expenditures as they do not represent federal awards that the District has direct control over, but is limited to choice of participation.

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Greenville City School District
Darke County
Memorial Hall
215 West Fourth Street
Greenville, Ohio 45331

To the Board of Education:

We have audited the financial statements of Greenville City School District (the "District"), as of and for the year ended June 30, 2000, and have issued our report thereon dated September 21, 2000, wherein we noted that the District has continued to follow the basis of accounting previously prescribed by the Auditor of State rather than generally accepted accounting principles, which is now required. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2000-10319-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated September 21, 2000.

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 a separate letter dated September 21, 2000.

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, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a horizontal line extending to the right.

Jim Petro
Auditor of State

September 21, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

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

Greenville City School District
Darke County
Memorial Hall
215 West Fourth Street
Greenville, Ohio 45331

To the Board of Education:

Compliance

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

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2000.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. We noted another matter involving the internal control over federal compliance that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated September 21, 2000.

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, appearing to read 'Jim Petro', with a large, sweeping flourish at the end.

JIM PETRO
Auditor of State

September 21, 2000

**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2000**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §.510?	No
(d)(1)(vii)	Major Programs (list):	Nutrition Cluster: CFDA # 10.550, CFDA # 10.553, CFDA # 10.555
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2000
(Continued)**

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

Finding Number	2000-10319-001
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Ohio Administrative Code Section 117-2-01 requires the District to prepare its annual financial report in accordance with generally accepted accounting principles. However, the District prepares its financial statements on the basis of accounting formerly prescribed or permitted by the Auditor of State, which is a basis of accounting other than generally accepted accounting principles. The accompanying financial statements omit assets, liabilities, fund equities and disclosures that, while material, cannot be determined at this time. The District can be fined and various other administrative remedies may be taken against the District.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**GREENVILLE CITY SCHOOL DISTRICT
DARKE COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A-133 § .315 (c)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2000-10319-001	The District is contracting with Local Government Services for assistance in early implementing the reporting requirements of Government Accounting Standards Board Statement 34 to report for the year ending June 30, 2001	June 30, 2001	Carla Surber, CPA, Treasurer



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GREENVILLE CITY SCHOOL DISTRICT

DARKE 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
NOVEMBER 14, 2000**