



**FINNEYTOWN LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY**

**SINGLE AUDIT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**FINNEYTOWN LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY**

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## INDEPENDENT ACCOUNTANTS' REPORT

Finneytown Local School District  
Hamilton County  
8916 Fountainbleau Terrace  
Cincinnati, Ohio 45231

To the Board of Education:

We have audited the accompanying general-purpose financial statements of the Finneytown Local School District, Hamilton County, Ohio (the District), as of and for the year ended June 30, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with 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.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 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 general-purpose financial statements of the 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 general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

**Jim Petro**  
Auditor of State

December 20, 2000

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Finneytown Local School District  
 Combined Balance Sheet  
 All Fund Types and Account Groups  
 June 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits:				
Equity in Pooled Cash and Investments	\$2,093,853	\$522,236	\$163,743	\$827,168
Restricted Equity in Pooled Cash and Investments	169,960	0	0	0
Receivables:				
Taxes	6,041,781	0	725,955	244,853
Intergovernmental	50,638	0	0	0
Inventory	0	0	0	0
Fixed Assets ( Net, where applicable, of Accumulated Depreciation)	0	0	0	0
Other Debits:				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided for Retirement of General Long-Term Obligations	0	0	0	0
<b>Total Assets &amp; Other Debits</b>	<b>\$8,356,232</b>	<b>\$522,236</b>	<b>\$889,698</b>	<b>\$1,072,021</b>
Liabilities, Fund Equity & Other Credits:				
Liabilities:				
Accounts Payable	\$7,728	\$51,836	\$0	\$117,643
Accrued Wages & Benefits	1,999,060	29,552	0	0
Compensated Absences Payable	110,870	0	0	0
Deferred Revenue	4,387,741	0	538,855	182,453
Due to Students	0	0	0	0
Arbitrage Rebate Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
<b>Total Liabilities</b>	<b>6,505,399</b>	<b>81,388</b>	<b>538,855</b>	<b>300,096</b>
Fund Equity & Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	0	79,412	0	425,192
Reserved for Property Tax Advances	1,622,700	0	187,100	62,400
Reserved for Set-Asides	169,960	0	0	0
Unreserved & Undesignated	58,173	361,436	163,743	284,333
<b>Total Fund Equity (Deficit) &amp; Other Credits</b>	<b>1,850,833</b>	<b>440,848</b>	<b>350,843</b>	<b>771,925</b>
<b>Total Liabilities, Fund Equity &amp; Other Credits</b>	<b>\$8,356,232</b>	<b>\$522,236</b>	<b>\$889,698</b>	<b>\$1,072,021</b>

See accompanying notes.



Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Agency			
\$58,651	\$33,867	\$0	\$0	\$3,699,518
0	0	0	0	169,960
0	0	0	0	7,012,589
10,172	0	0	0	60,810
3,027	0	0	0	3,027
22,639	0	22,920,374	0	22,943,013
0	0	0	350,843	350,843
0	0	0	9,418,841	9,418,841
<u>\$94,489</u>	<u>\$33,867</u>	<u>\$22,920,374</u>	<u>\$9,769,684</u>	<u>\$43,658,601</u>
\$20,234	\$3,290	\$0	\$0	\$200,731
4,487	0	0	109,385	2,142,484
6,839	0	0	1,079,944	1,197,653
1,400	0	0	0	5,110,449
0	30,577	0	0	30,577
0	0	0	175,355	175,355
0	0	0	8,405,000	8,405,000
<u>32,960</u>	<u>33,867</u>	<u>0</u>	<u>9,769,684</u>	<u>17,262,249</u>
0	0	22,920,374	0	22,920,374
61,529	0	0	0	61,529
0	0	0	0	504,604
0	0	0	0	1,872,200
0	0	0	0	169,960
0	0	0	0	867,685
<u>61,529</u>	<u>0</u>	<u>22,920,374</u>	<u>0</u>	<u>26,396,352</u>
<u>\$94,489</u>	<u>\$33,867</u>	<u>\$22,920,374</u>	<u>\$9,769,684</u>	<u>\$43,658,601</u>

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Finneytown Local School District  
 Combined Statement of Revenues, Expenditures  
 And Changes in Fund Balance  
 All Governmental Fund Types  
 For the Year Ended June 30, 2000

	Governmental Fund Types				Totals
	General	Special Revenue	Debt Service	Capital Projects	(Memorandum Only)
<b>Revenues:</b>					
Taxes	\$5,534,223	\$0	\$594,972	\$203,570	\$6,332,765
Intergovernmental	5,902,433	1,195,118	75,466	108,534	7,281,551
Investment	303,844	13,608	0	0	317,452
Tuition & Fees	195,327	14,986	0	0	210,313
Extracurricular Activities	0	140,751	0	0	140,751
Miscellaneous	100,843	82,737	0	0	183,580
<b>Total Revenues</b>	<b>12,036,670</b>	<b>1,447,200</b>	<b>670,438</b>	<b>312,104</b>	<b>14,466,412</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	6,011,120	151,046	0	0	6,162,166
Special	1,318,473	129,003	0	0	1,447,476
Vocational	187,905	0	0	0	187,905
Other	17,089	3,896	0	0	20,985
<b>Support Services:</b>					
Pupils	619,538	123,667	0	0	743,205
Instructional Staff	474,945	20,381	0	0	495,326
Board of Education	14,885	0	0	0	14,885
Administration	962,115	19,633	0	0	981,748
Fiscal	294,853	0	7,672	2,727	305,252
Business	197,354	17,545	0	0	214,899
Operation & Maintenance of Plant	1,180,185	6,250	0	0	1,186,435
Pupil Transportation	464,574	0	0	63,592	528,166
Central	213,185	1,709	0	0	214,894
Operation of Non-Instructional Services	95,889	939,262	0	0	1,035,151
Extracurricular Activities	279,601	136,279	0	0	415,880
Capital Outlay	0	0	0	2,089,065	2,089,065
<b>Debt Service:</b>					
Principal Retirement	0	0	120,000	0	120,000
Interest & Fiscal Charges	0	0	481,218	0	481,218
<b>Total Expenditures</b>	<b>12,331,711</b>	<b>1,548,671</b>	<b>608,890</b>	<b>2,155,384</b>	<b>16,644,656</b>
Excess of Revenues Over (Under) Expenditures	(295,041)	(101,471)	61,548	(1,843,280)	(2,178,244)
<b>Other Financing Sources (Uses):</b>					
Proceeds from Sale of Fixed Assets	2,390	0	0	4,027	6,417
Operating Transfers In	0	0	0	703,030	703,030
Operating Transfers Out	(703,030)	0	0	0	(703,030)
<b>Total Other Financing Sources (Uses)</b>	<b>(700,640)</b>	<b>0</b>	<b>0</b>	<b>707,057</b>	<b>6,417</b>
Excess of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	(995,681)	(101,471)	61,548	(1,136,223)	(2,171,827)
Fund Balance, Beginning of Year	2,846,514	542,319	289,295	1,908,148	5,586,276
Fund Balance, End of Year	\$1,850,833	\$440,848	\$350,843	\$771,925	\$3,414,449

See accompanying notes.

Finneytown Local School District  
 Combined Statement of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 All Governmental Fund Types  
 For the Year Ended June 30, 2000

	General			Special Revenue		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Taxes	\$4,697,183	\$4,697,183	\$0	\$0	\$0	\$0
Intergovernmental	5,955,027	5,955,027	0	1,195,118	1,195,118	0
Investment	303,844	303,844	0	13,608	13,608	0
Tuition & Fees	195,327	195,327	0	14,986	14,986	0
Extracurricular Activities	0	0	0	140,751	140,751	0
Miscellaneous	100,843	100,843	0	82,737	82,737	0
Total Revenues	11,252,224	11,252,224	0	1,447,200	1,447,200	0
Expenditures:						
Current:						
Instruction:						
Regular	5,960,609	5,960,609	0	147,861	147,861	0
Special	1,256,239	1,256,239	0	128,807	128,807	0
Vocational	185,788	185,788	0	0	0	0
Other	17,202	17,202	0	8,261	8,261	0
Support Services:						
Pupils	620,187	620,187	0	122,958	122,958	0
Instructional Staff	478,071	478,071	0	21,614	21,614	0
Board of Education	14,878	14,878	0	0	0	0
Administration	969,510	969,510	0	20,553	20,553	0
Fiscal	294,445	294,445	0	0	0	0
Business	198,931	198,931	0	17,545	17,545	0
Operation & Maintenance of Plant	1,224,677	1,224,677	0	6,250	6,250	0
Pupil Transportation	461,398	461,398	0	0	0	0
Central	225,409	225,409	0	21,871	21,871	0
Operation of Non-Instructional Services	97,867	97,867	0	1,018,593	1,018,593	0
Extracurricular Activities	271,966	271,966	0	152,778	152,778	0
Capital Outlay	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest & Fiscal Charges	0	0	0	0	0	0
Total Expenditures	12,277,177	12,277,177	0	1,667,091	1,667,091	0
Excess (Deficiency) of Revenues Over Under Expenditures	(1,024,953)	(1,024,953)	0	(219,891)	(219,891)	0
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	2,390	2,390	0	0	0	0
Operating Transfers In	0	0	0	0	0	0
Operating Transfers Out	(703,030)	(703,030)	0	0	0	0
Total Other Financing Sources (Uses)	(700,640)	(700,640)	0	0	0	0
Excess of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	(1,725,593)	(1,725,593)	0	(219,891)	(219,891)	0
Fund Balance, Beginning of Year (Includes Prior Year Encumbrances Appropriated)	3,989,408	3,989,408	0	612,218	612,218	0
Fund Balance, End of Year	\$2,263,815	\$2,263,815	\$0	\$392,327	\$392,327	\$0

See accompanying notes.

Debt Service			Capital Projects			Totals (Memorandum Only)		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$497,172	\$497,172	\$0	\$172,870	\$172,870	\$0	\$5,367,225	\$5,367,225	\$0
75,466	75,466	0	108,534	108,534	0	7,334,145	7,334,145	0
0	0	0	0	0	0	317,452	317,452	0
0	0	0	0	0	0	210,313	210,313	0
0	0	0	0	0	0	140,751	140,751	0
0	0	0	0	0	0	183,580	183,580	0
572,638	572,638	0	281,404	281,404	0	13,553,466	13,553,466	0
0	0	0	0	0	0	6,108,470	6,108,470	0
0	0	0	0	0	0	1,385,046	1,385,046	0
0	0	0	0	0	0	185,788	185,788	0
0	0	0	0	0	0	25,463	25,463	0
0	0	0	0	0	0	743,145	743,145	0
0	0	0	0	0	0	499,685	499,685	0
0	0	0	0	0	0	14,878	14,878	0
0	0	0	0	0	0	990,063	990,063	0
7,672	7,672	0	2,727	2,727	0	304,844	304,844	0
0	0	0	0	0	0	216,476	216,476	0
0	0	0	0	0	0	1,230,927	1,230,927	0
0	0	0	63,592	63,592	0	524,990	524,990	0
0	0	0	0	0	0	247,280	247,280	0
0	0	0	0	0	0	1,116,460	1,116,460	0
0	0	0	0	0	0	424,744	424,744	0
0	0	0	2,763,732	2,763,732	0	2,763,732	2,763,732	0
120,000	120,000	0	0	0	0	120,000	120,000	0
481,218	481,218	0	0	0	0	481,218	481,218	0
608,890	608,890	0	2,830,051	2,830,051	0	17,383,209	17,383,209	0
(36,252)	(36,252)	0	(2,548,647)	(2,548,647)	0	(3,829,743)	(3,829,743)	0
0	0	0	4,027	4,027	0	6,417	6,417	0
0	0	0	703,030	703,030	0	703,030	703,030	0
0	0	0	0	0	0	(703,030)	(703,030)	0
0	0	0	707,057	707,057	0	6,417	6,417	0
(36,252)	(36,252)	0	(1,841,590)	(1,841,590)	0	(3,823,326)	(3,823,326)	0
199,995	199,995	0	2,127,391	2,127,391	0	6,929,012	6,929,012	0
\$163,743	\$163,743	\$0	\$285,801	\$285,801	\$0	\$3,105,686	\$3,105,686	\$0

Finneytown Local School District  
 Combined Statement of Revenues, Expenses  
 And Changes in Retained Earnings  
 Proprietary Fund Type  
 For the Year Ended June 30, 2000

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Revenues:	
Intergovernmental Revenue	\$10,172
Charges for Services	294,256
Tuition & Fees	62,693
Miscellaneous Revenue	<u>1,528</u>
Total Operating Revenues	<u>368,649</u>
Operating Expenses:	
Salaries	30,320
Fringe Benefits	11,345
Purchased Services	337,793
Materials & Supplies	73,971
Depreciation	<u>3,789</u>
Total Operating Expenses	<u>457,218</u>
Operating Income (Loss)	<u>(88,569)</u>
Non-Operating Revenues (Expenses):	
Investment Revenue	1,198
Donated Commodities	17,388
Operating Grants - State & Local	4,404
Operating Grants - Federal	<u>63,652</u>
Total Non-Operating Revenues	<u>86,642</u>
Net Income	<u>(1,927)</u>
Retained Earnings, Beginning of Year	<u>63,456</u>
Retained Earnings, End of Year	<u><u>\$61,529</u></u>

See accompanying notes.

Finneytown Local School District  
 Combined Statement of Cash Flows  
 Proprietary Fund Type  
 For the Year Ended June 30, 2000

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Cash Flows from Operating Activities:	
Cash Received from Tuition & Fees	\$62,693
Cash Received from Charges for Services	294,256
Cash Received from Miscellaneous Sources	1,528
Cash Payments for Personal Services	(38,974)
Cash Payments for Contract Services	(319,052)
Cash Payments for Supplies & Materials	<u>(51,411)</u>
Net Cash Provided (Used) by Operating Activities	<u>(50,960)</u>
Cash Flows from Non-Capital Financing Activities:	
Cash Received from Operating Grants	68,056
Cash Received from Investment Earnings	<u>1,198</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>69,254</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Capital Assets	<u>(6,138)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(6,138)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	12,156
Cash and Cash Equivalents at Beginning of Year	<u>46,495</u>
Cash and Cash Equivalents at End of Year	<u><u>\$58,651</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	(\$88,569)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	3,789
Donated Commodities Used	17,388
Changes in Assets and Liabilities:	
(Increase) Decrease in Intergovernmental Receivables	(10,172)
(Increase) Decrease in Materials & Supplies Inventory	1,068
Increase (Decrease) in Accounts Payable	23,568
Increase (Decrease) in Accrued Wages & Benefits	517
Increase (Decrease) in Compensated Absences Payable	2,174
Increase (Decrease) in Deferred Revenue	<u>(723)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(\$50,960)</u></u>

See accompanying notes.

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FINNEYTOWN LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2000

1. DESCRIPTION OF THE DISTRICT

The Finneytown Local School District (the "District") is a political body incorporated for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The Finneytown Local School District is a local district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District. Average daily membership (ADM) as of October 1, 1999 was 1,892. The District employed 143 certificated employees and 107 non-certificated employees.

Management believes the financial statements included in this report represent all of the funds of the District for which the Board of Education is financially accountable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below:

A. Reporting Entity

For financial reporting purposes, the financial statements of a government should include all funds and account groups of the primary government, and component units for which the government is financially accountable based upon criteria set forth in GASB Statement 14. The District's financial statements include only the primary government. Generally, component units are legally separate organizations for which the elected officials of the primary government (i.e. the District) are financially accountable. The District would consider an organization to be a component unit if:

1. The District appointed a voting majority of the organization's governing body; and (a) was able to impose its will on that organization; or (b) there was a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the District; or
2. The organization was fiscally dependent upon the District; or

FINNEYTOWN LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2000  
(Continued)

3. The nature of the relationship between the District and the organization was such that the exclusion from the financial reporting entity would render the financial statements misleading.

The District has no component units.

The School District is associated with one jointly governed organization and one public entity risk pool. These organizations are discussed in [Notes 16 and 17](#) of the general purpose financial statements. These organizations are:

Jointly Governed Organizations:

Hamilton/Clermont Cooperative Association

Public Entity Risk Pools:

Ohio School Boards Association Workers' Compensation Group  
Rating Program

**B. Measurement Focus, Basis of Accounting and Basis of Presentation**

The accounts of the District are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

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

General Fund - Is the general operating fund of the District and it is used to account for all financial resources except those required by law 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.

FINNEYTOWN LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2000  
(Continued)

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

Debt Service Fund - Is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs; and for the payment of interest on general obligation notes payable, as required by Ohio Law.

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

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

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 cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or, (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 - The District's agency funds are fiduciary funds used to account for assets held by the District as an agent for individuals, private organizations, other governmental units and/or other funds. Agency funds are custodial in nature (assets equal liabilities).

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

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

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

C. Measurement Focus/Basis of Accounting

Measurement Focus: Governmental funds types are accounted for on a spending, or “current financial resources”, measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Governmental fund type operating statements represent increases and decreases in net current assets. Their reported fund balances are considered a measure of available spendable resources.

Proprietary fund types are accounted for on a cost of services, or “economic resources”, measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity is accounted for as retained earnings. Proprietary fund type income statements represent increases and decreases in net total assets.

Basis of Accounting - The modified accrual basis of accounting is followed for governmental and agency funds. Under this basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures for the current period, which for the District is 60 days after the fiscal year end.

Revenue considered susceptible to accrual under the modified accrual basis includes, but is not limited to, property taxes available for advance, interest, tuition, and state and federal grants. Property taxes measurable and delinquent property taxes whose availability is indeterminable but neither available to finance the current fiscal year expenditures, nor intended to finance the current year expenditures are deferred revenue.

Expenditures are recognized in the period in which the related fund liability is incurred, except interest on long-term debt which is recorded when due.

Proprietary funds are accounted for on the accrual basis of accounting. Revenue is recognized in the period earned and expenses are recognized in the period 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. Unused donated commodities are reported as deferred revenue.

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D. Budgetary Data

The District is required by state statute to adopt an annual appropriated budget for all Governmental Fund types. The specific timetable is as follows:

1. Prior to January 15 of the preceding fiscal year, the Treasurer submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose of this budget document is to reflect the need for existing or increased tax rates.
2. By no later than January 20, the Board-adopted budget is filed with the Hamilton County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts by formal resolution the tax rates as determined by the Hamilton County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final Amended Certificate.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund or fund and two-digit function level of expenditures in the case of the general fund, which represent the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. Resolution appropriations by fund must be within the estimated resources as certified by the Hamilton County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriations totals.

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5. Any revisions that alter the total of any fund appropriation at the legal level of budgetary control must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions. All departments, functions and funds completed the year within the amount of their legally-authorized appropriation.
7. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated or increased the original appropriation amounts. All supplemental appropriations were legally enacted by the Board. The budget figures that appear in the statements of budgetary comparisons represent the final appropriation amounts.
8. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditure plus encumbrances may not legally exceed budgeted appropriations at the fund, function, and/or object level.

E. Encumbrances

Encumbrance accounting is utilized by the District 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 commitment for a future expenditure and does not represent a liability. For Governmental Fund types, encumbrances outstanding at fiscal year end appear on the combined balance sheet as a reserve of the fund balance on a GAAP Basis and for all funds as the equivalent of expenditures/expenses on a non-GAAP budgetary basis in order to demonstrate legal compliance.

F. Cash and Investments

1. To improve cash management, cash received by the District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the combined balance sheet.

The District's only investment was in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2000. STAROhio is an investment pool

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managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on June 30, 2000.

State Statute authorizes the District to invest in obligations of the U.S. Treasury, commercial paper and repurchase agreements. Under existing Ohio Statutes, all investment earnings accrue to the General Fund except those credited to the Auxiliary Service Fund, Food Service Fund and other funds individually authorized by Board resolution.

Investments are stated at fair value as determined by quoted market prices.

2. Restricted assets in the general fund represent cash and investments set aside to establish a budget stabilization reserve. Until March 26, 2000, expenditure of the reserve requires permission of the State Superintendent of Public Instruction (except, during a period approximately from July 1, 1999 through December 31, 1999, the Board may, with a 2/3 vote of its members, expend from this reserve without the permission of the State Superintendent).

Beginning March 26, 2000, the Board may, with a 2/3 vote of its members, appropriate from this budget reserve if it:

1. experiences a deficit unreserved fund balance for the current fiscal year as defined in the 5 year forecast; and
2. files an acceptable schedule to replenish the set-aside balance; and
3. certifies that the deficit was caused by one of the reasons identified in the revised rule or the district is in fiscal watch or emergency.

G. Inventory (Materials and Supplies)

Inventories of the enterprise funds are valued at lower of cost (first-in, first-out method) or market and are determined by physical count. Inventories of the enterprise funds consist of donated food, purchased food, and school supplies held for resale and are expended when used.

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H. Fixed Assets and Depreciation

1. General Fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year in the General Fixed Assets Account Group. Donated fixed assets are recorded at their fair market values as of the date donated. No depreciation is recognized for assets in the General Fixed Assets Account Group. The District maintains a capitalization limit of \$250. The District does not possess any infrastructure. Improvements are capitalized. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of general fixed assets is not capitalized.
2. Proprietary Funds - Property, plant and equipment reflected in the Proprietary Funds are stated at historical cost (or estimated historical cost) and updated for the cost of additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date donated. Depreciation has been provided, where appropriate, on a straight-line basis over the following estimated useful lives:

Building Improvements	10 - 35 years
Equipment	5 - 20 years

I. Intergovernmental Revenues

In governmental funds, non-reimbursable grants are recorded as receivables and revenue when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants for proprietary fund operations are recognized as non-operating revenue when measurable and earned.

J. Compensated Absences

GASB Statement No. 16 specifies that compensated absences should be accrued as they are earned by employees if both of the following conditions are met:

1. The employee's right to receive compensation is attributable to services already rendered.
2. It is probable that the employer will compensate the employee for the benefits through paid time off or cash payment.



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Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for classified employees, certified employees and administrative employees after 20 years of current service and for School District employees which become eligible for retirement within the next 3 years.

For governmental funds, compensate absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the respective governmental fund. Amounts that are not expected to be liquidated with expendable available financial resources are reported in the general long-term obligations account group. Compensated absences of proprietary funds are recorded as an expense and liability of the respective proprietary fund.

K. Interfund Transactions

During the course of normal operations, the District has numerous transactions between funds. The most significant include:

1. Routine transfers of resources from one fund to another fund through which resources to be expended are recorded as operating transfers.
2. Reimbursements from one fund to another fund are treated as expenditures/expenses in the reimbursing fund and as a reduction in expenditures/expenses in the reimbursed fund.

L. Accrued Liabilities and Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available resources is reported as a fund liability of the governmental fund. The remaining portion of such obligations is reported in the general long-term obligation account group.

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Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

M. Fund Equity

Reserved fund balances indicate that portion of fund equity that is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, set asides and property taxes. The reserve for property taxes represent taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under state statute. The unreserved portions of fund equity reflected for the governmental funds are available for use within specific purpose of those funds.

N. Memorandum Only - Total Columns

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

O. Proprietary Fund Accounting

In accordance with GASB Statement No. 20, “Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting”, the District applies all GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with GASB pronouncements.

3. EQUITY IN POOLED CASH AND INVESTMENT

The District maintains a cash and investment pool used by all funds. Each fund type’s portion of this pool is displayed on the combined balance sheet as “Equity in Pooled Cash and Investments”. State Statute requires the classification of monies held by the District into three categories:

Active Monies - Those monies that are required to be kept in a “cash” or “near cash” status for immediate use by the District. Such monies must by law be maintained either as cash in the District treasury, in depository accounts payable

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or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive Monies - Those monies not required for use within the current two-year period of designated depositories. Ohio law permits inactive monies to be deposited or invested in certificates of deposit maturing not later than the end of the current period of designation of depositories.

Interim Monies - 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. Ohio law permits interim monies to be invested or deposited 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 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 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 funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);

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7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred 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.

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

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

At year-end the carrying amount of the District's deposits was \$724,774. The bank balance of deposits was \$899,127 and of the bank balance, \$200,000 was covered by federal depository insurance. The remaining amounts were uninsured and uncollateralized as defined by GASB. Although the securities were held by the pledging financial institutions' trust department in the School District's name and all statutory requirements for the investment of the money had been followed, noncompliance with the federal requirements would potentially subject the money held in the School District's name to a successful claim by the FDIC.

The District's investments are categorized to give an indication of the level of risk assumed by the entity at year end.

CATEGORY 1 includes investments that are insured, registered, or held by the District or its agent in the District's name.

CATEGORY 2 includes uninsured and unregistered investments held by the counterparty's trust department or agent in the District's name.

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CATEGORY 3 includes uninsured and unregistered investments held by the counterparty, or by its trust department or agent, but not in the District's name.

Based on the above criteria, the District's investments at year-end are classified as follows:

<u>INVESTMENTS</u>	<u>CARRYING VALUE/ FAIR VALUE</u>
Star Ohio	\$3,144,704

The School District's investment in STAROhio, an investment pool operated by the Ohio State Treasurer, is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

For purposes of The Statement of Cash Flows (GASB Statement No. 9) all highly liquid investments with a maturity of three months or less when acquired, are considered to be cash equivalents and are included under the headings "Equity in pooled cash and investments" or "Restricted equity in pooled cash and investments".

4. PROPERTY TAXES

The assessed value, by property classification, upon which taxes collected in 2000 were based, is as follows:

Tangible Personal	\$4,098,650
Public Utility and Real Estate	177,566,130
Total Assessed Property Value	<u>\$181,664,780</u>

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

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35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value.

Real property taxes are payable annually or semi-annually. If paid annually, payment was due by January 20. If paid semi-annually, the first payment (at least one-half of amount billed) was due January 20, with the remainder due on June 20. Under certain circumstances, state statute permits alternate payment dates to be established. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30, if paid semi-annually, the first payment is due April 30 with the remainder payable by September 30.

The Hamilton County Auditor remits portions of the taxes collected with periodic settlements of Real and Public Utility property taxes in February and August and Tangible Personal Property Taxes in June and October to all taxing districts.

The School District receives property taxes from Hamilton 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, 2000 are available to finance fiscal year 2001 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2000. 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 year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations.

## 5. RECEIVABLES

Receivables at June 30, 2000, consisted of taxes and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. A summary of the principal items of receivables follows:

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<u>Receivables</u>	<u>Amounts</u>
General Fund	\$6,092,419
Debt Service Fund	725,955
Permanent Improvement Fund	<u>244,853</u>
Total Taxes and Intergovernmental Receivables	<u>\$ 7,063,227</u>

6. FIXED ASSETS

A summary of the General Fixed Assets Account Group at year-end follows:

<u>Class</u>	<u>7-01-99</u>	<u>Additions</u>	<u>Deletions</u>	<u>6-30-00</u>
Land	\$ 732,202	\$ 0	\$ 0	\$ 732,202
Buildings	6,792,537	2,103,330	(5,451)	8,890,415
Equipment	6,734,184	351,613	(285,824)	6,799,973
C.I.P.	<u>6,978,255</u>	<u>1,349,191</u>	<u>(1,829,663)</u>	<u>6,497,783</u>
Totals	<u>\$21,237,178</u>	<u>\$ 3,804,134</u>	<u>\$(2,120,938)</u>	<u>\$22,920,374</u>

A summary of the Proprietary Fund fixed assets at year-end follows:

Equipment	\$177,241
Less: Accumulated Depreciation	<u>(154,602)</u>
Net Fixed Assets	<u>\$22,639</u>

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7. CHANGES IN THE GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP

During the year ended June 30, 2000, the following changes occurred in debt reported in the General Long-Term Obligations Account Group:

	<u>Balance Beginning of Year</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance End of Year</u>
Arbitrage Rebate Payable	\$ 145,192	\$ 30,163	\$ 0	\$ 175,355
Accrued Wages & Benefits	95,568	13,817	0	109,385
General Obligation Bonds Payable	8,525,000	0	(120,000)	8,405,000
Compensated Absences Payable	<u>1,102,373</u>	<u>0</u>	<u>(22,429)</u>	<u>1,079,944</u>
<b>TOTAL</b>	<b><u>\$ 9,868,133</u></b>	<b><u>\$ 43,980</u></b>	<b><u>(\$142,429)</u></b>	<b><u>\$ 9,769,684</u></b>

The arbitrage rebate payable will be paid out of the building fund investment earnings credited to the general fund. The accrued wages and benefits represents contractually required pension contributions paid outside the available period and will be paid from the fund from which the person is paid. The general obligation bonds will be paid from the debt service fund. Compensated absences will be paid from the fund from which the person is paid.

8. DEBT OBLIGATIONS

All current obligation bonds outstanding, issued to provide funds for the acquisition of equipment and facilities, are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for in the General Long-Term Obligation Account Group. Payments of principal and interest relating to these liabilities are recorded as expenditures in the Debt Service Fund. Interest payments are made in June and December of each year. Principal payments are made in December only. The source of payment is derived from debt tax issue proceeds.



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The District issued \$8,710,000 in General Obligation School Improvement Bonds (Series 1997) during the fiscal year ended June 30, 1997. The bonds were issued for the purpose of retiring Bond Anticipation Notes originally issued December 19, 1996 and January 16, 1997, for the purpose of new construction, improvements, renovations and additions to school facilities.

- A. The following is a description of the all general obligation bonds outstanding for the District as of year end:

<u>Issue</u>	<u>Interest</u> <u>Rate</u>	<u>Issue</u> <u>Date</u>	<u>Maturity</u> <u>Date</u>	<u>Balance</u> <u>6/30/99</u>	<u>Retired</u> <u>2000</u>	<u>Balance</u> <u>6/30/00</u>
Series 1997	4.40%	4/97	12/99	120,000	120,000	0
Series 1997	4.55%	4/97	12/00	165,000	0	165,000
Series 1997	4.65%	4/97	12/01	185,000	0	185,000
Series 1997	4.70%	4/97	12/02	210,000	0	210,000
Series 1997	4.80%	4/97	12/03	260,000	0	260,000
Series 1997	4.90%	4/97	12/04	275,000	0	275,000
Series 1997	4.95%	4/97	12/05	290,000	0	290,000
Series 1997	5.00%	4/97	12/06	145,000	0	145,000
Series 1997	5.15%	4/97	12/07	155,000	0	155,000
Series 1997	5.20%	4/97	12/08	165,000	0	165,000
Series 1997	5.30%	4/97	12/09	200,000	0	200,000
Series 1997	6.05%	4/97	12/10	210,000	0	210,000
Series 1997	6.15%	4/97	12/11	225,000	0	225,000
Series 1997	6.25%	4/97	12/12	265,000	0	265,000
Series 1997	6.20%	4/97	12/17	1,695,000	0	1,695,000
Series 1997	5.80%	4/97	12/24	<u>3,960,000</u>	<u>0</u>	<u>3,960,000</u>
 TOTAL				 <u>\$8,525,000</u>	 <u>\$120,000</u>	 <u>\$8,405,000</u>

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- B. The District's voted legal debt margin was \$16,349,830, with an unvoted debt margin of \$181,665 at June 30, 2000. The following is a summary of the District's future annual debt service requirements to maturity for general obligation bonds:

<u>Year Ending June 30</u>	<u>Principal on General Obligation Bonds</u>	<u>Interest on General Obligation Bonds</u>	<u>Total</u>
2001	165,000	474,824	639,824
2002	185,000	466,769	651,769
2003	210,000	457,532	667,532
2004	260,000	446,357	706,357
2005 & thereafter	<u>7,585,000</u>	<u>5,814,524</u>	<u>13,399,524</u>
Totals	<u>\$ 8,405,000</u>	<u>\$ 7,660,006</u>	<u>\$ 16,065,006</u>

9. CONTRACTUAL COMMITMENTS

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

<u>Company</u>	<u>Project</u>	<u>Amount Remaining On Contract</u>
Charles Randolph Company	Cottonwood Phase II	\$ 5,000
O.K.I. Window Company	High School Phase I	24,469
Performance Construction	High School Phase I	2,430
D.A.G. Construction	High School Phase II	3,614
West Side Paving	High School Phase III	143,470
Ardalan Inc.	Whitaker Elementary	119,348
W. Betz & Associates	Whitaker Elementary	16,318
C & T Design & Equipment	Whitaker Elementary	3,857
Dalmatian Fire Company	Whitaker Elementary	14,668
The Geiler Company	Whitaker Elementary	1,200
Queen City Mechanicals	Whitaker Elementary	<u>300</u>
	Total	<u>\$ 334,674</u>

10. SEGMENT INFORMATION

Enterprise Funds - The District maintains two Enterprise Funds to account for the operations of Food Service and Uniform School Supply. The table below reflects, in a summarized format, the more significant financial data relating to the Enterprise Funds of the District as of and for the current year-end.

FINNEYTOWN LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2000  
(Continued)

	<u>Food Services</u>	<u>Uniform School Supply</u>	<u>Total</u>
Operating Revenue	305,955	62,694	368,649
Operating Expense before Depreciation	398,637	54,792	453,429
Depreciation	3,789	0	3,789
Operating Income (Loss)	(96,471)	7,902	(88,569)
Donated Commodities	17,388	0	17,388
Operating Grants	68,056	0	68,056
Investment Revenue	1,198	0	1,198
Net Income (Loss)	(9,829)	7,902	(1,927)
Net Working Capital	214	40,076	40,290
Total Assets	52,920	41,569	94,489
Total Liabilities	31,467	1,493	32,960
Total Equity	21,453	40,076	61,529

11. 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 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. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for

FINNEYTOWN LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2000  
(Continued)

SERS. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9% of their annual covered salary and the District is required to contribute 14%. The contribution rates are determined actuarially, and are established by SERS's Retirement Board within the rates allowed by State Statute. For fiscal year 1999, 7.7% was the portion required to fund the pension obligation. The adequacy of the contribution rates is determined annually. The District's contributions to SERS for the years ending June 30, 2000, 1999 and 1998 were \$311,376, \$285,696 and \$271,981 respectively; 46.6% has been contributed for fiscal year 2000, and 100% for fiscal years 1999 and 1998. The unpaid contribution for fiscal year 2000 is \$166,164 and is recorded as a liability within the respective funds and the general long-term obligations account group.

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

Plan members are required to contribute 9.3% of their annual covered salary and the District is required to contribute 14%; 10.5% was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's contributions to STRS for the years ending June 30, 2000, 1999 and 1998 were \$949,284, \$884,316 and \$827,544 respectively; 82.6% has been contributed for fiscal year 2000 and 100% for fiscal year 1999 and 1998. The unpaid contribution for fiscal year 2000 is \$165,452 and is recorded as a liability within the respective funds.

FINNEYTOWN LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2000  
(Continued)

## 12. POSTEMPLOYMENT BENEFITS

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of 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.

For STRS, all benefit recipients are required to pay a portion of health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. Through June 30, 1999, the board allocated employer contributions equal to 8% of covered payroll to the Health Care Reserve. For the School District, this amount equaled \$517,032 during the 1999 fiscal year. For the fiscal year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000. The number of eligible benefit recipients totaled 95,796.

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

For fiscal year 1999, employer contributions to fund health care benefits were 6.30% 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 1999, the minimum pay has been established at \$12,400.

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 annual health care expenses. For the fiscal year ended June 30, 1999, net health care costs paid by SERS 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 \$188.0 million. The number of eligible participants currently receiving health care benefits is approximately 51,000. For the School District, the amount to fund health care benefits including the surcharge equaled \$180,453 during the 2000 fiscal year.

FINNEYTOWN LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2000  
(Continued)

13. BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual, All Governmental Fund Types are 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:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).
4. Proceeds from and principal payment on bond and tax anticipation notes are reported on the operating statement (budget basis) rather than on the balance sheet (GAAP basis).
5. The School District repays short-term note debt from the debt service fund (budget basis) as opposed to the fund that received the proceeds (GAAP basis). Debt service fund resources used to pay both principal and interest have been allocated accordingly.

A reconciliation of the nature and amounts of the adjustments necessary to convert the GAAP financial statements to the budgetary basis follows:

Reconciliation of Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses From GAAP Basis to Budgetary Basis:

FINNEYTOWN LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2000  
(Continued)

<u>Governmental Fund Types</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>
GAAP Basis	\$ (995,681)	\$ (101,471)	\$ 61,548	\$ (1,136,223)
Net Adjustment for Revenue Accruals	(784,446)	0	(97,800)	(30,700)
Net Adjustment for Expenditure Accruals	54,534	11,488	0	(133,295)
Adjustment for Encumbrances	<u>0</u>	<u>(129,908)</u>	<u>0</u>	<u>(541,372)</u>
Budgetary Basis	<u>\$ (1,725,593)</u>	<u>\$ (219,891)</u>	<u>\$ (36,252)</u>	<u>\$ (1,841,590)</u>

#### 14. COMPLIANCE AND ACCOUNTABILITY

State statute requires all funds to have expenditures and encumbrances within approved appropriation limits. All funds of the District had expenditures and encumbrances within the approved appropriations.

#### 15. CONTINGENT LIABILITIES

Grants - The 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 District.

#### 16. JOINTLY GOVERNED ORGANIZATIONS

The Finneytown Local School District is a participant in the Hamilton/Clermont Cooperative Association (HCCA), which is a computer consortium. HCCA is an association of 24 public school districts. 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 districts. The Board of H/CCA consists of one representative from each of the participating members. The District paid \$21,734 for services provided during the

FINNEYTOWN LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2000  
(Continued)

fiscal year. Financial information can be obtained from H/CCA's administrative office, 7615 Harrison Avenue, Cincinnati, Ohio 45231.

17. PUBLIC ENTITY RISK POOLS

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (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 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.

18. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2000, the School District contracted with Indiana Insurance Company for building, personal property and fleet insurance and with Hartford Insurance Company for boiler insurance. All coverage is calculated using a 100% replacement cost value. The School District also contracted, during fiscal year 2000, with Nationwide Insurance Company for liability insurance. Coverages provided are as follows:

Building and Personal Property (\$1,000 deductible)	\$ 38,581,788
Boilers (\$1,000 deductible)	
Band Uniforms/Music Instruments (\$500 deductible)	
Educational Data Processing (\$250 deductible)	
Tractors (2) (\$100 deductible)	
Fleet Insurance	
Single Limited Liability	\$ 1,000,000
Medical Payments	5,000
Hired/Non--Owned Auto	1,000,000
Comprehensive (\$250 deductible)	
Collision (\$500 deductible)	
General Liability Insurance	
Per claim	\$ 1,000,000
Annual aggregate	5,000,000
Legal Fee/Work Assignments coverage	50,000



FINNEYTOWN LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2000  
(Continued)

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

19. UNCERTAINTIES

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 this District. During the fiscal years ended June 30, 2000, the District received \$5,059,906 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the Ohio General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued 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 has 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 District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations.

FINNEYTOWN LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2000  
(Continued)

20. 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 (cash-basis) was as follows:

	<u>Textbook Reserve</u>	<u>Capital Maintenance Reserve</u>	<u>Budget Stabilization Reserve</u>	<u>Total</u>
Set-aside Cash Balance as of June 30, 1999	\$ 0	\$ 0	\$ 169,960	\$ 169,960
Current Year Set-aside Requirement	277,482	277,482	0	554,964
Current Year Offsets	0	(203,682)	0	(203,682)
Qualifying Expenditures	<u>(344,347)</u>	<u>(195,932)</u>	<u>0</u>	<u>(540,279)</u>
Total	<u>\$ (66,865)</u>	<u>\$ (122,132)</u>	<u>\$ 169,960</u>	
Cash Balance Carried Forward to FY 2001	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 169,960</u>	<u>\$ 169,960</u>
Cumulative Surplus Spending Credit Carried Forward to FY 2001	<u>\$ 66,865</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Offsets/expenditures for textbook activity during the year totaled \$344,347, which exceeded the required set-aside and the reserve balance. The \$66,865 surplus may be carried forward to reduce the amount of the required set-aside in succeeding fiscal years.

Offsets/expenditures for capital activity during the year totaled \$399,614, which exceeded the required set-aside and the reserve balance.

21. RECLASSIFICATION OF PRIOR YEAR BALANCES

The District corrected the following General Fixed Asset Account Group detail as appearing in Note 6 of the general purpose financial statements:

FINNEYTOWN LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
For Fiscal Year Ended June 30, 2000  
(Continued)

<u>General Fixed Asset Account Group (Fixed Assets)</u>	<u>Previously Stated Balance at 6/30/99</u>	<u>Reclassification</u>	<u>Restated Balance at 7/1/99</u>
Buildings	\$ 11,001,056	\$ (4,208,519)	\$ 6,792,537
C.I.P.	2,769,736	4,208,519	6,978,255

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**FINNEYTOWN LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY**

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

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed through the Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution	03-PU	10.550	\$0	\$16,039	\$0	\$16,039
National School Lunch Program	04-PU	10.555	<u>63,652</u>	<u>0</u>	<u>63,652</u>	<u>0</u>
Total U.S. Department of Agriculture - Nutrition Cluster			<u><b>63,652</b></u>	<u><b>16,039</b></u>	<u><b>63,652</b></u>	<u><b>16,039</b></u>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed through the Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States (IDEA Part B)	6B-SF	84.027	96,426	0	96,337	0
Special Education - Preschool Grants	PG-S1	84.173	<u>8,479</u>	<u>0</u>	<u>8,479</u>	<u>0</u>
Total Special Education Cluster			<u><b>104,905</b></u>	<u><b>0</b></u>	<u><b>104,816</b></u>	<u><b>0</b></u>
Grants to Local Educational Agencies (ESEA Title I)	C1-S1	84.010	181,099	0	158,799	0
Innovative Education Program Strategies	C2-S1	84.298	23,081	0	18,306	0
Safe and Drug-Free Schools and Communities State Grants	DR-S1	84.186	9,554	0	14,951	0
Goals 2000 State and Local Education Systemic Improvement	G2-S2	84.276	21,921	0	12,816	0
<i>Passed through Great Oaks Institute of Technology and Career Development:</i>						
Vocational Education - Basic Grants to State		84.048	<u>4,185</u>	<u>0</u>	<u>2,685</u>	<u>0</u>
<b>Total Department of Education</b>			<u><b>239,840</b></u>	<u><b>0</b></u>	<u><b>207,557</b></u>	<u><b>0</b></u>
<b>Totals</b>			<u><b>\$408,397</b></u>	<u><b>\$16,039</b></u>	<u><b>\$376,025</b></u>	<u><b>\$16,039</b></u>

*The accompanying notes to this schedule are an integral part of this schedule.*

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes 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. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 1999, the District had no significant food commodities in inventory.

**NOTE C - 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 matching funds is not included on the Schedule.

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Finneytown Local School District  
Hamilton County  
8916 Fountainbleau Terrace  
Cincinnati, Ohio 45231

To the Board of Education:

We have audited the financial statements of Finneytown Local School District, Hamilton County, Ohio (the District), as of and for the year ended June 30, 2000. 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**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.

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.

**Jim Petro**  
Auditor of State

December 20, 2000





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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**

Finneytown Local School District  
Hamilton County  
8916 Fountainbleau Terrace  
Cincinnati, Ohio 45231

To the Board of Education:

**Compliance**

We have audited the compliance of Finneytown Local School District, Hamilton County, Ohio (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 is applicable to its major federal program for the fiscal 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 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 fiscal 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.

Finneytown Local School District  
Hamilton County  
Report on Compliance With Requirements Applicable to Each  
Major Federal Program and Internal Control Over  
Compliance In Accordance With OMB Circular A-133  
Page 2

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

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

**Jim Petro**  
Auditor of State

December 20, 2000

**FINNEYTOWN LOCAL SCHOOL DISTRICT  
HAMILTON 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 non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Title 1 - CFDA #84.010
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None





STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

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Facsimile 614-466-4490

**FINNEYTOWN LOCAL SCHOOL DISTRICT**

**HAMILTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 30, 2001**