

GREENEVIEW LOCAL SCHOOL DISTRICT

Basic Financial Statements

June 30, 2005

with

Independent Auditors' Report



**Auditor of State
Betty Montgomery**

Board of Education
Greeneview Local School District
Jamestown, Ohio

We have reviewed the *Independent Auditors' Report* of the Greeneview Local School District, Greene County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2004 through June 30, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

May 18, 2006

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GREENEVIEW LOCAL SCHOOL DISTRICT

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

Independent Auditors' Report

Board of Education
Greeneview Local School District
4 South Charleston Road
Jamestown, Ohio 45335

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greeneview Local School District (the District) as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Greeneview Local School District as of June 30, 2005, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 4, during the year ended June 30, 2005, the District implemented the provisions of GASB Technical Bulletin 2004-002, *Recognition of Pension and Other Post-employment Benefit Expenditures and Liabilities by Cost Sharing Employers*.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2006, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 10 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
March 22, 2006

Greeneview Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
(unaudited)

The discussion and analysis of Greeneview Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2005. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2005 are as follows:

In total, net assets increased \$473,402, which represents a 14 percent increase from 2004.

General revenues accounted for \$11,357,725 in revenue or 88 percent of all revenues. Program specific revenues in the form of charges for services, operating and capital grants, interest and contributions accounted for \$1,621,083 or 12 percent of total revenues of \$12,978,808.

Total assets of governmental activities increased by \$288,335 as receivables increased by \$592,667 and capital assets decreased by \$202,546.

The School District had \$12,505,406 in expenses; only \$1,621,083 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and entitlements) were \$11,357,725.

Among major funds, the general fund had \$10,717,115 in revenues and \$10,410,916 in expenditures. The general fund's balance decreased \$230,413 from 2004.

Using this Generally Accepted Accounting Principles Report (GAAP)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Greeneview Local School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non major funds presented in total in one column. In the case of Greeneview Local School District, the general fund, the debt service fund, and the permanent improvement funds are the most significant funds.

Greeneview Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
(unaudited)

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2005?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins after the Statement of Activities. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, the debt service fund, and the permanent improvement fund.

Governmental Funds

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

Greeneview Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
(unaudited)

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net assets for 2005 compared to 2004:

Table 1 Net Assets		
	2005	Restated 2004
Assets:		
Current and Other Assets	\$6,456,226	\$5,965,345
Capital Assets	12,470,162	12,672,708
Total Assets	18,926,388	18,638,053
 Liabilities:		
Long-Term Liabilities	10,405,316	10,852,534
Other Liabilities	4,615,326	4,353,175
Total Liabilities	15,020,642	15,205,709
 Net Assets:		
Invested in Capital Assets, Net of Related Debt	3,278,808	3,775,708
Restricted	428,767	581,845
Unrestricted	198,171	(925,209)
Total Net Assets	\$3,905,746	\$3,432,344

Total assets of governmental activities increased by \$288,335, primarily due to the increase in receivables increased by \$592,667 which was offset by a decrease in capital assets of \$202,546. Unrestricted net assets, the part of net assets that can be used to finance day-to-day activities without constraints established by grants or legal requirements, of the School District increased by \$1,123,380.

Table 2 shows the changes in net assets for fiscal year 2005. A comparative analysis of district-wide data is being presented, as follows:

Greeneview Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
(unaudited)

Table 2
Changes in Net Assets

	2005	Restated 2004
Revenues		
Program Revenues:		
Charges for Services	\$888,696	\$891,913
Operating Grants, Interest and Contributions	711,550	613,825
Capital Grants and Contributions	20,837	41,525
Total Program Revenues	<u>1,621,083</u>	<u>1,547,263</u>
General Revenues:		
Property Taxes	3,726,101	3,401,739
Income Tax	1,363,761	1,298,770
Grants and Entitlements	6,154,012	6,361,618
Investment Earnings	57,074	14,210
Other	56,777	51,326
Total General Revenues	<u>11,357,725</u>	<u>11,127,663</u>
Total Revenues	<u>12,978,808</u>	<u>12,674,926</u>
Program Expenses		
Instruction	6,065,521	6,969,482
Support Services:		
Pupils and Instructional Staff	1,827,574	1,572,345
Board of Education, Administration, Fiscal and Business	1,585,649	1,830,342
Operation and Maintenance of Plant	910,394	845,230
Pupil Transportation	885,648	996,988
Central	0	185
Operation of Non-Instructional Services	395,162	421,344
Extracurricular Activities	391,463	326,681
Interest and Fiscal Charges	443,995	448,987
Total Expenses	<u>12,505,406</u>	<u>13,411,584</u>
Increase (Decrease) in Net Assets	<u>\$473,402</u>	<u>(\$736,658)</u>

Governmental Activities

The unique nature of taxes in Ohio creates the need to routinely seek voter approval for the School District operations. Property taxes and income taxes made up 39 percent of revenues for governmental activities for the Greeneview Local School District for fiscal year 2005.

Instruction comprises 49 percent of district expenses. Support services expenses make up 42 percent of the expenses.

Greeneview Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
(unaudited)

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements. A comparative analysis of district-wide data is being presented, as follows:

Table 3
Cost of Services

	Total Cost of Services 2005	Net Cost of Services 2005	Restated	
			Total Cost of Services 2004	Net Cost of Services 2004
Instruction	\$6,065,521	\$5,320,311	\$6,969,482	\$6,263,652
Support Services:				
Pupils and Instructional Staff	1,827,574	1,593,434	1,572,345	1,353,890
Board of Education, Administration, Fiscal and Business	1,585,649	1,525,137	1,830,342	1,720,419
Operation and Maintenance of Plant	910,394	907,908	845,230	845,230
Pupil Transportation	885,648	864,811	996,988	996,988
Central	0	0	185	185
Operation of Non-Instructional Services	395,162	(6,620)	421,344	39,676
Extracurricular Activities	391,463	235,347	326,681	195,294
Interest and Fiscal Charges	443,995	443,995	448,987	448,987
Total Expenses	<u>\$12,505,406</u>	<u>\$10,884,323</u>	<u>\$13,411,584</u>	<u>\$11,864,321</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil. The decrease in instruction from fiscal year 2004 to fiscal year 2005 is due to consolidating the school buildings which caused a decrease in staffing, therefore, a decrease in the salaries and benefits related to the staffing.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to pupils.

Board of education, administration, and fiscal includes expenses associated with administrative and financial supervision of the district.

Operation and maintenance of plant activities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Operation of non-instructional services includes the preparation, delivery, and servicing of lunches, snacks and other incidental meals to students and school staff in connection with school activities.

Greeneview Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
(unaudited)

Extracurricular activities includes expense related to student activities provided by the School District which are designed to provide opportunities for pupils to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involves the transactions associated with the payment of interest and other related charges to debt of the School District.

The dependence upon tax revenues is apparent. Nearly 88 percent of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 87 percent. The community, as a whole, is the primary support for the Greeneview Local School District.

The School District's Funds

The fund financial statements, including the School District's major funds, are located after the Statement of Activities. These funds are accounted for using the modified accrual basis of accounting. The general fund had total revenues of \$10,717,115 and total expenditures of \$10,410,916, with a decrease of \$230,413 in fund balance. The debt service major fund had total revenues of \$636,549, total expenditures of \$643,630, and a \$7,081 decrease in fund balance. The permanent improvement major fund showed a \$376,810 increase in fund balance for the fiscal year, with \$359,908 of revenues and \$511,032 of expenses being reported.

General Fund Budgeting Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

During the course of the fiscal year 2005, the School District amended its general fund budget once during the fiscal year. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, the final budget basis revenue and other financing sources estimate was \$10,139,018. The original budgeted estimate was \$10,139,010.

During fiscal year 2005, the School District budgeted and received \$2,686,000 and \$2,758,213, respectively in property and other taxes while it budgeted and received \$6,015,020 and \$6,080,385, respectively, in intergovernmental revenues.

Greeneview Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
(unaudited)

Capital Assets

At the end of the fiscal year 2005, the School District had \$12,470,162 invested in capital assets. Table 4 shows fiscal 2005 balances compared to 2004.

Table 4
Capital Assets (Net of Depreciation) at June 30,

	2005	Restated 2004
Land	\$350,000	\$350,000
Construction in Progress	651,085	233,217
Land Improvements	877,960	937,631
Buildings and Improvements	9,213,113	9,561,359
Furniture and Equipment	644,685	704,253
Vehicles	640,005	755,608
Educational Media	93,314	130,640
Totals	\$12,470,162	\$12,672,708

Overall capital assets decreased \$202,546 from fiscal year 2004 to fiscal year 2005. During fiscal year 2005 the School District capitalized nearly \$418,000 of building improvements and renovations as construction in progress since these projects were not complete. The School District's total additions to capital assets during the year totaled \$458,837 and were offset by depreciation expense for the year totaling \$661,383. For more information on capital assets, see Note 10 of the Basic Financial Statements.

Debt Administration

At June 30, 2005, the School District had one school improvement debt issue outstanding. This debt was issued May 1, 1999. This project built a new high school for the district. The School District also entered into a lease purchase agreement during fiscal year 2004 to add on to the School District's present junior high building and renovate rooms at the Central Elementary Building. This lease purchase agreement is in addition to the School Bus Purchase Lease that the School District entered into during 2003. The new lease was for \$1,363,000.

Table 5
Outstanding Debt at June 30,

	2005	2004
School Improvement Bonds	\$8,335,000	\$8,545,000
Bus Purchase Lease	268,000	352,000
School Improvement Lease Purchase	1,283,000	1,363,000
Totals	\$9,886,000	\$10,260,000

At June 30, 2005, the School District's overall legal debt limitation was \$5,430,161, and the unvoted debt margin was \$149,800. For more information on the School District's debt, see Note 16 of the Basic Financial Statements.

Greeneview Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
(unaudited)

Current Financial Issues and Concerns

The Greeneview Local School District is not financially stable. The recent developments of the Ohio General Assembly, specifically H.B. 66, as related to education, are of great concern to the Board of Education and Administration of this School District. The legislature has effected a change in the state funding formula whereby the district will not receive any new money but only guaranteed the same level as the 2004-2005 school year for the next two fiscal years. Included in these funds are the former "intervention" monies that the district used to get as additional money. The School District's closing of two elementary buildings and realigning of the buildings for the 2004-2005 school year did reduce expenditures.

District personnel continue to make strides in the area of curriculum improvement and remediation. This strategy from the Continuous Improvement Plan is an attempt to increase student performance and enhance curriculum instruction. Both goals will promote student learning.

In comparison to other school districts in the State, the School District would be considered a school district suffering with low wealth. Organization and staffing continue to be evaluated in response to these reductions. Legislative activities continue to provide for consequences detrimental to the financial well being of the School District.

In conclusion, the Greeneview Local School District has committed itself to financial excellence for many years. Therefore, it will have to address its building and staffing needs to enable it to be viable for years to come. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Joan Corbitt, Treasurer at Greeneview Local School District, 4 South Charleston Road, Jamestown, Ohio 45335 or email at gv_jcorbitt@mveca.org.

GREENEVIEW LOCAL SCHOOL DISTRICT
STATEMENT OF NET ASSETS
June 30, 2005

	<u>GOVERNMENTAL ACTIVITIES</u>
Assets:	
Cash and Cash Equivalents	\$1,183,196
Cash and Cash Equivalents with Fiscal Agents	572
Investments with Fiscal Agents	662,735
Inventory of Supplies and Materials	11,278
Accrued Interest Receivable	2,435
Accounts Receivable	92,796
Intergovernmental Receivable	101,525
Income Tax Receivable	597,555
Property and Other Taxes Receivable	3,772,223
Deferred Charges	31,911
Depreciable Capital Assets, Net	11,469,077
Land	350,000
Construction in Progress	651,085
Total Assets	<u>18,926,388</u>
Liabilities:	
Accounts Payable	27,254
Accrued Wages and Benefits Payable	857,802
Intergovernmental Payable	349,793
Accrued Interest Payable	34,425
Accrued Vacation Leave Payable	15,774
Compensated Absences Payable	47,748
Deferred Revenue	3,282,530
Long Term Liabilities:	
Due Within One Year	428,662
Due In More Than One Year	9,976,654
Total Liabilities	<u>15,020,642</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	3,278,808
Restricted for:	
Debt Service	159,489
Other Purposes	269,278
Unrestricted	198,171
Total Net Assets	<u><u>\$3,905,746</u></u>

See Accompanying Notes to the Basic Financial Statements

GREENEVIEW LOCAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants, Interest and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities:					
Instruction:					
Regular	\$5,148,917	\$373,727	\$128,467	\$0	(\$4,646,723)
Special	844,233	0	243,016	0	(601,217)
Vocational	72,371	0	0	0	(72,371)
Support Services:					
Pupils	1,073,833	0	0	0	(1,073,833)
Instructional Staff	753,741	0	234,140	0	(519,601)
Board of Education	109,943	0	0	0	(109,943)
Administration	1,107,898	55,512	2,000	0	(1,050,386)
Fiscal	367,635	0	3,000	0	(364,635)
Business	173	0	0	0	(173)
Operation and Maintenance of Plant	910,394	0	2,486	0	(907,908)
Pupil Transportation	885,648	0	0	20,837	(864,811)
Operation of Non-Instructional Services	395,162	303,341	98,441	0	6,620
Extracurricular Activities	391,463	156,116	0	0	(235,347)
Interest and Fiscal Charges	443,995	0	0	0	(443,995)
Total Governmental Activities	\$12,505,406	\$888,696	\$711,550	\$20,837	(10,884,323)

General Revenues:

Property Taxes Levied for:		
General Purposes		2,808,879
Debt Service		571,831
Capital Outlay		345,391
Income Taxes Levied for General Purposes		1,363,761
Grants and Entitlements not Restricted to Specific Programs		6,154,012
Gifts and Donations		25,065
Investment Earnings		57,074
Miscellaneous		31,712
Total General Revenues		11,357,725
Change in Net Assets		473,402
Net Assets Beginning of Year - Restated (See Note 4)		3,432,344
Net Assets End of Year		\$3,905,746

See Accompanying Notes to the Basic Financial Statements

GREENEVIEW LOCAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2005

	GENERAL	DEBT SERVICE	PERMANENT IMPROVEMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$420,802	\$228,155	\$235,550	\$222,451	\$1,106,958
Cash and Cash Equivalents with Fiscal Agents	0	0	0	572	572
Investments with Fiscal Agents	386,088	0	276,647	0	662,735
Receivables:					
Property Taxes	2,620,628	590,882	560,713	0	3,772,223
Income Taxes	597,555	0	0	0	597,555
Accrued Interest Receivable	2,435	0	0	0	2,435
Accounts	92,446	0	0	350	92,796
Intergovernmental	0	0	0	101,525	101,525
Interfund	41,988	0	0	0	41,988
Inventory of Supplies and Materials	0	0	0	11,278	11,278
Restricted Assets:					
Cash and Cash Equivalents	76,238	0	0	0	76,238
Total Assets	\$4,238,180	\$819,037	\$1,072,910	\$336,176	\$6,466,303
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	\$19,604	\$0	\$0	\$7,650	\$27,254
Accrued Wages and Benefits Payable	820,584	0	0	37,218	857,802
Interfund Payable	0	0	0	41,988	41,988
Intergovernmental Payable	336,632	0	0	13,161	349,793
Deferred Revenue	2,438,542	535,834	508,941	49,137	3,532,454
Compensated Absences Payable	47,748	0	0	0	47,748
Total Liabilities	3,663,110	535,834	508,941	149,154	4,857,039
Fund Balances:					
Reserved for Encumbrances	114,832	0	325,146	49,626	489,604
Reserved for Property Taxes	262,136	55,048	51,772	0	368,956
Reserved for Budget Stabilization	76,238	0	0	0	76,238
Designated for Budget Stabilization	121,864	0	0	0	121,864
Unreserved, Undesignated, Reported in:					
General Fund	0	0	0	0	0
Special Revenue Funds	0	0	0	128,684	128,684
Debt Service Fund	0	228,155	0	0	228,155
Capital Projects Funds	0	0	187,051	8,712	195,763
Total Fund Balances	575,070	283,203	563,969	187,022	1,609,264
Total Liabilities and Fund Balances	\$4,238,180	\$819,037	\$1,072,910	\$336,176	\$6,466,303

See Accompanying Notes to the Basic Financial Statements

GREENEVIEW LOCAL SCHOOL DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
June 30, 2005

Total Governmental Fund Balance		\$1,609,264
Deferred charges used in governmental activities are not financial resources and therefore are not reported in the funds.		31,911
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. These assets consist of:		
Land	350,000	
Construction in Progress	651,085	
Land Improvements	1,406,742	
Building and Improvements	12,772,740	
Furniture and Equipment	1,801,525	
Vehicles	1,896,434	
Educational Media	424,852	
Accumulated Depreciation	<u>(6,833,216)</u>	
Total Capital Assets		12,470,162
Other long-term assets are not available to pay for the current period's expenditures and therefore are deferred in the funds.		
Property Taxes Receivable	120,737	
Intergovernmental Receivable	49,137	
Accounts Receivable	14,719	
Income Taxes Receivable	<u>65,331</u>	
		249,924
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:		
Accrued Interest on Bonds	(34,425)	
Accrued Vacation Leave Payable	(15,774)	
Compensated Absences	(519,316)	
Capital Leases	(1,551,000)	
Bonds Payable	<u>(8,335,000)</u>	
Total Liabilities		<u>(10,455,515)</u>
Net Assets of Governmental Activities		<u><u>\$3,905,746</u></u>

See Accompanying Notes to the Basic Financial Statements

GREENEVIEW LOCAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	GENERAL	DEBT SERVICE	PERMANENT IMPROVEMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Property and Other Taxes	\$2,793,996	\$569,060	\$328,449	\$0	\$3,691,505
Income Tax	1,363,761	0	0	0	1,363,761
Tuition and Fees	374,151	0	0	20,840	394,991
Interest	56,575	0	0	499	57,074
Intergovernmental	6,086,566	67,489	31,459	716,013	6,901,527
Extracurricular Activities	0	0	0	211,628	211,628
Charges for Services	0	0	0	282,501	282,501
Gifts and Donations	10,418	0	0	14,647	25,065
Rent	7,950	0	0	0	7,950
Miscellaneous	23,698	0	0	64	23,762
Total Revenues	<u>10,717,115</u>	<u>636,549</u>	<u>359,908</u>	<u>1,246,192</u>	<u>12,959,764</u>
Expenditures:					
Current:					
Instruction:					
Regular	4,632,254	0	0	106,178	4,738,432
Special	663,181	0	0	181,377	844,558
Vocational	70,540	0	0	0	70,540
Support Services:					
Pupils	1,089,491	0	0	0	1,089,491
Instructional Staff	426,027	0	0	300,353	726,380
Board of Education	109,073	0	0	0	109,073
Administration	1,069,988	0	0	60,413	1,130,401
Fiscal	361,305	9,447	4,767	3,036	378,555
Operation and Maintenance of Plant	909,442	0	5,200	3,666	918,308
Pupil Transportation	762,014	0	0	0	762,014
Operation of Non-Instructional Services	9,744	0	0	373,872	383,616
Extracurricular Activities	210,034	0	0	163,922	373,956
Capital Outlay	0	0	417,866	0	417,866
Debt Service:					
Principal Retirement	84,000	210,000	80,000	0	374,000
Interest and Fiscal Charges	13,823	424,183	3,199	0	441,205
Total Expenditures	<u>10,410,916</u>	<u>643,630</u>	<u>511,032</u>	<u>1,192,817</u>	<u>12,758,395</u>
Excess of Revenues Over (Under) Expenditures	<u>306,199</u>	<u>(7,081)</u>	<u>(151,124)</u>	<u>53,375</u>	<u>201,369</u>
Other Financing Sources (Uses):					
Transfers - In	0	0	527,934	8,678	536,612
Transfers - Out	(536,612)	0	0	0	(536,612)
Total Other Financing Sources (Uses)	<u>(536,612)</u>	<u>0</u>	<u>527,934</u>	<u>8,678</u>	<u>0</u>
Net Change in Fund Balances	(230,413)	(7,081)	376,810	62,053	201,369
Fund Balances at Beginning of Year - Restated (See Note 4)	<u>805,483</u>	<u>290,284</u>	<u>187,159</u>	<u>124,969</u>	<u>1,407,895</u>
Fund Balances at End of Year	<u>\$575,070</u>	<u>\$283,203</u>	<u>\$563,969</u>	<u>\$187,022</u>	<u>\$1,609,264</u>

See Accompanying Notes to the Basic Financial Statements

GREENEVIEW LOCAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
June 30, 2005

Net Change in Fund Balances - Total Governmental Funds		\$201,369
Amounts reported for governmental activities in the statement of activities are different because:		
Deferred charges used in governmental activities are not financial resources and therefore are not reported in the funds.		(3,478)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital Asset Additions	458,837	
Current Year Depreciation	<u>(661,383)</u>	
Excess of Depreciation over Capital Outlay		(202,546)
Some revenues that will not be collected for several months after the School District's fiscal year ends are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues increased by this amount this year.		
Property Taxes	34,596	
Accounts	(424)	
Intergovernmental	<u>(15,128)</u>	
		19,044
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of bond principal payments.		374,000
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Decrease in Accrued Interest Payable	688	
Decrease in Accrued Vacation Leave Payable	11,107	
Decrease in Compensated Absences Payable	<u>73,218</u>	
		<u>85,013</u>
Change in Net Assets of Governmental Activities		<u><u>\$473,402</u></u>
See Accompanying Notes to the Basic Financial Statements		

GREENVIEW LOCAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	
Revenues:				
Property and Other Taxes	\$2,686,000	\$2,686,000	\$2,758,213	\$72,213
Income Tax	1,344,788	1,344,788	1,348,823	4,035
Tuition and Fees	80,907	80,907	325,922	245,015
Interest	3,937	3,937	54,140	50,203
Intergovernmental	6,015,012	6,015,020	6,080,385	65,365
Gifts and Donations	0	0	10,418	10,418
Rent	2,159	2,159	8,950	6,791
Miscellaneous	2,607	2,607	46,449	43,842
Total Revenues	10,135,410	10,135,418	10,633,300	497,882
Expenditures:				
Current:				
Instruction:				
Regular	4,603,794	4,857,126	4,710,718	146,408
Special	1,154,465	1,155,465	693,857	461,608
Vocational	70,300	70,300	73,673	(3,373)
Support Services:				
Pupils	691,398	691,398	1,069,173	(377,775)
Instructional Staff	410,992	410,992	434,185	(23,193)
Board of Education	77,026	77,026	116,075	(39,049)
Administration	1,052,614	1,052,614	1,113,706	(61,092)
Fiscal	301,000	301,000	363,312	(62,312)
Operation and Maintenance of Plant	879,148	887,148	981,779	(94,631)
Pupil Transportation	788,650	775,464	790,071	(14,607)
Operation of Non-Instructional Services	22,000	22,000	10,571	11,429
Extracurricular Activities	192,725	192,725	212,026	(19,301)
Capital Outlay	4,000	4,000	0	4,000
Debt Service:				
Principal	55,800	84,000	84,000	0
Interest	16,000	21,823	13,823	8,000
Total Expenditures	10,319,912	10,603,081	10,666,969	(63,888)
Excess of Revenues Over (Under) Expenditures	(184,502)	(467,663)	(33,669)	433,994
Other Financing Sources (Uses):				
Refund of Prior Year Expenditures	3,600	3,600	48,042	(44,442)
Advances - In	0	0	52,214	(52,214)
Advances - Out	(50,000)	(50,000)	(41,988)	8,012
Transfers - Out	0	(557,000)	(536,612)	20,388
Total Other Financing Sources (Uses)	(46,400)	(603,400)	(478,344)	(68,256)
Net Increase (Decrease) in Fund Balances	(230,902)	(1,071,063)	(512,013)	559,050
Fund Balances at Beginning of Year	1,176,353	1,176,353	1,176,353	0
Prior Year Encumbrances Appropriated	85,636	85,636	85,636	0
Fund Balances at End of Year	\$1,031,087	\$190,926	\$749,976	\$559,050

See Accompanying Notes to the Basic Financial Statements

GREENEVIEW LOCAL SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 JUNE 30, 2005

	PRIVATE PURPOSE TRUST	
	SCHOLARSHIP	AGENCY
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$364,445	\$49,957
Accounts Receivable	0	460
	\$364,445	\$50,417
Liabilities:		
Deposits Held and Due to Students	0	50,417
Total Liabilities	0	\$50,417
Net Assets:		
Held in Trust for Scholarships	\$364,445	

See Accompanying Notes to the Basic Financial Statements

GREENEVIEW LOCAL SCHOOL DISTRICT
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	PRIVATE PURPOSE TRUST
	SCHOLARSHIP
Additions:	
Interest	\$6,234
Gifts and Donations	38,800
Total Additions	45,034
Deletions:	
Payments in Accordance with Trust Agreements	39,300
Change in Net Assets	5,734
Net Assets Beginning of Year	358,711
Net Assets End of Year	\$364,445

See Accompanying Notes to the Basic Financial Statements

Greeneview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Greeneview Local School District (the "School District") is a body politic and corporate for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally-elected five-member Board form of government and provides educational services as authorized by its charter and further mandated by State and/or federal agencies. It is staffed by 72 non-certified employees, 94 certified full time teaching personnel, including 8 administrators, who provide services to 1,589 students and other community members. The School District currently operates 4 instructional/support facilities.

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

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

The School District is associated with three jointly governed organizations and two insurance purchasing pools. These organizations are discussed in Note 17 and 18 to the basic financial statements. These organizations are:

Jointly Governed Organizations:

- Miami Valley Educational Computer Association (MVECA)
- Southwestern Ohio Educational Purchasing Cooperative (SOEPC)
- Greene County Career Center

Insurance Purchasing Pools:

- Southwestern Ohio Educational Purchasing Cooperative's Workers' Compensation Group Rating Program
- Southwestern Ohio Educational Purchasing Cooperative's Employee Benefit Plan Trust

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-wide Financial Statements:

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

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

Fund Financial Statements:

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The School District divides its funds into two categories: governmental and fiduciary.

Governmental Funds:

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

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

Debt Service Fund - The debt service fund accounts for accumulation of resources to be used for the payment of short-term and long-term general obligation debt principal and interest.

Permanent Improvement Fund - The permanent improvement fund accounts for the taxes collected for the purpose of acquiring, constructing or improving of permanent improvements.

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

Fiduciary Fund Types:

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. The School District's only trust fund is a private purpose trust which accounts for various college scholarship programs for students. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The student managed activities agency fund accounts for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer, and faculty advisor.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus

Government-wide Financial Statements:

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

Fund Financial Statements

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

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions:

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

Greeneview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2005, but which were levied to finance fiscal year 2006 operations, have been recorded as deferred revenue. Grants and entitlements from other school districts received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures:

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

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

E. Budgetary Data

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

Greeneview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2005.

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

F. Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled, with the exception of cash and cash equivalents held by fiscal agents. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents." During fiscal year 2005, the School District's investments were limited to a repurchase agreement and a money market account. The School District also has investments with fiscal agents for the school improvement lease.

Nonparticipating investment contracts such as repurchase agreements are reported at cost.

The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2005 amounted to \$56,575, which includes \$18,276 assigned from other funds.

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

G. Interfund Assets/Liabilities

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

H. Inventory

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. Restricted assets in the general fund include amounts required by State statute to be set aside to create a reserve for budget stabilization.

J. Capital Assets and Depreciation

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$1,500. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Estimated Lives
Land Improvements	20 years
Buildings and Improvements	25-50 years
Furniture, Fixtures, and Equipment	5-20 years
Vehicles	8 years
Educational Media	6-15 years

K. Accrued Liabilities and Long-Term Obligations

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Compensated Absences

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

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

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

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

M. Interfund Transactions

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

N. Fund Balance Reserves and Designation

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. The School District also designates a portion of fund balance to indicate tentative plans for future financial resource uses that reflect managerial plans or intent. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, property tax, and budget stabilization. A fund designation has been established in the General Fund for budget stabilization for amounts in excess of the statutory required amount. As the unreserved ending fund balance in the General Fund at June 30, 2005 was not sufficient to meet the entire amount of the designation, the amount of fund balance designated for budget stabilization was limited to the amount of available unreserved fund balance in the General Fund.

Greeneview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

O. Net Assets

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

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

P. Estimates

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

Q. Issuance Costs

Issuance costs for the capital lease are deferred and amortized over the term of the lease using the straight line method since the results are not significantly different from the effective interest method. These issuance costs are presented as deferred charges.

NOTE 3 – FUND DEFICITS

At June 30, 2005, the lunchroom, latchkey, DPIA, Ohio Reads, IDEA-part B, and Title II-A had deficit fund balances of \$20,455, \$207, \$87, \$816, \$1,104 and \$454, respectively. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Greeneview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 4 – CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET ASSETS / FUND BALANCES:

A. Net Assets

During fiscal year 2005, the School District adjusted the beginning net assets of the Governmental Activities to account for construction in progress of \$233,217 that was not accounted for during fiscal year 2004. The correction to capitalize this construction in progress resulted in the net assets of the Governmental Activities at June 30, 2004, previously reported at \$3,199,127, being increased by \$233,217 to \$3,432,344.

B. Fund Balances

For fiscal year 2005, the School District has implemented GASB Statement No. 40, “Deposit and Investment Risk Disclosures,” and GASB Technical Bulletin 2004-002, “Recognition of Pension and Other Post-employment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employers.” GASB Statement No. 40 requires disclosure of credit ratings information related to their deposits and investments in the notes to the Basic Financial Statements. The implementation of this statement had no effect on the Basic Financial Statements. The implementation of GASB Technical Bulletin 2004-002 required that all long-term portions of the retirement liability be recorded in the fund financial statements.

Also, during 2005, the School District restated the beginning fund balance in the General and Debt Service funds to correct an error in the cash balances of these funds in prior years. The result of the correction of this error decreased the fund balance reported at June 30, 2004 in the General fund by \$107,303 and increased the fund balance for the Debt Service fund by the same amount.

The effect of the implementation of GASB Technical Bulletin 2004-002 and the correction of cash balances had the following effect on the fund balances previously reported as of June 30, 2004.

	General	Debt Service	Permanent Improvement	Nonmajor	Totals
Fund Balance June 30, 2004	\$1,025,288	\$182,981	\$187,159	\$136,721	\$1,532,149
Correction of Error	(107,303)	107,303	0	0	0
GASB Technical Bulletin 2004-002	(112,502)	0	0	(11,752)	(124,254)
Adjusted Fund Balance June 30, 2004	<u>\$805,483</u>	<u>\$290,284</u>	<u>\$187,159</u>	<u>\$124,969</u>	<u>\$1,407,895</u>

Greeneview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

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

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

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statement for the general fund.

<u>Net Change in Fund Balance</u>	
GAAP Basis	(\$230,413)
Net Adjustment for Revenue Accruals	(35,773)
Net Adjustment for Expenditure Accruals	(122,917)
Advances	10,226
Adjustment for Encumbrances	(133,136)
Budget Basis	<u><u>(\$512,013)</u></u>

NOTE 6 - DEPOSITS AND INVESTMENTS

Monies held by the School District are classified by State statute into three categories.

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

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

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

Interim monies held by the School District can 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 and interest by the United States;
2. Bonds, notes, debentures, or any other obligation 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;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

Greeneview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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

Cash on Hand: At fiscal year end, the School District had \$250 in undeposited cash in hand which is included on the balance sheet of the School District as part of “equity in pooled cash and cash equivalents”.

The “cash and cash equivalents with fiscal agents” of \$572 shown in the non-major funds is maintained by the Greene County Educational Service Center.

The “investments with fiscal agents” of \$662,735 shown in the general fund and permanent improvement fund is maintained by U.S. Bank held in trust for the lease purchase agreement for the new building improvement project.

A. Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year-end, \$107,004 of the School District’s bank balance of \$256,642 was exposed to custodial credit risk because it was uninsured and collateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

B. Investments

At June 30, 2005 the entire investment portfolio of the School District consisted of \$2,248,453 invested in money market mutual funds. All of the money market mutual funds have average investment maturities of less than one year and are unrated.

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

Credit Risk: The School District’s investment policy limits investments to those authorized by State statute.

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's investment in the money market mutual funds are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the School District's name. The School District's investment policy does not address investment custodial risk beyond the requirement the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

NOTE 7 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property, public utility property, and tangible personal (used in business) property located in the School District. Real property tax receipts received in calendar year 2005 represent the collection of calendar year 2004 taxes. Real property taxes received in calendar year 2005 were levied after April 1, 2004, on the assessed values as of January 1, 2004, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in calendar year 2005 represent the collection of calendar year 2004 taxes. Public utility real and tangible personal property taxes received in calendar year 2005 became a lien on December 31, 2003, were levied after April 1, 2004, and are collected in 2005 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in calendar year 2005 (other than public utility property) represent the collection of calendar year 2005 taxes. Tangible personal property taxes received in calendar year 2005 were levied after April 1, 2004, on the value as of December 31, 2004. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-three percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Greene 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, 2005, are available to finance fiscal year 2005 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Greeneview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 7 - PROPERTY TAXES (continued)

The amount available as an advance at June 30, 2005, was \$262,136 in the general fund, \$55,048 in the debt service fund and \$51,772 in the permanent improvement capital projects fund. On a full accrual basis, collectable property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

The assessed values upon which the fiscal year 2005 taxes were collected are:

	2004 Second- Half Collections		2005 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential And Other Real Estate	\$134,243,300	91.07%	\$136,726,340	91.27%
Public Utility	12,590	.01	12,590	.01
Tangible Personal Property	13,152,345	8.92	13,060,601	8.72
Total Assessed Value	<u>\$147,408,235</u>	<u>100.00%</u>	<u>\$149,799,531</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$38.00		\$38.00	

NOTE 8 - INCOME TAX

The School District levies a voted tax of ½ percent for general operations on the income of residents and of estates. The tax was effective on January 1, 1991, and is a continuing tax. Effective January 1, 2002, the residents voted an additional ½ percent income tax for a five-year period. 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 State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund. Income tax revenue credited to the general fund for fiscal year 2005 was \$1,363,761.

NOTE 9 - RECEIVABLES

Receivables at June 30, 2005, consisted of property and income taxes, accounts (rent, billings for user charged services, and student fees), intergovernmental grants, and interfund.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amounts
Nonmajor Funds	
Student Intervention	\$15,213
Title I	40,625
Title V	14,612
Title II-A	26,426
Title II-D	4,649
Total Nonmajor Funds	<u>\$101,525</u>

Greeneview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2005, was as follows:

	Restated Balance 6/30/04	Additions	Deductions	Balance 6/30/05
Governmental Activities				
Capital Asset, not Being Depreciated:				
Land	\$350,000	\$0	\$0	\$350,000
Construction in Progress	233,217	417,868	0	651,085
Capital Assets, Being Depreciated:				
Land Improvements	1,406,742	0	0	1,406,742
Buildings and Improvements	12,772,740	0	0	12,772,740
Furniture, Fixture, and Equipment	1,762,215	40,969	(1,659)	1,801,525
Vehicles	1,896,434	0	0	1,896,434
Educational Media	424,852	0	0	424,852
Total Capital Assets, Being Depreciated	18,262,983	40,969	(1,659)	18,302,293
Less Accumulated Depreciation:				
Land Improvements	(469,111)	(59,671)	0	(528,782)
Buildings and Improvements	(3,211,381)	(348,246)	0	(3,559,627)
Furniture, Fixture and Equipment	(1,057,962)	(100,537)	1,659	(1,156,840)
Vehicles	(1,140,826)	(115,603)	0	(1,256,429)
Educational Media	(294,212)	(37,326)	0	(331,538)
Total Accumulated Depreciation	(6,173,492)	(661,383)	1,659	(6,833,216)
Capital Assets, Being Depreciated, Net	12,089,491	(620,414)	0	11,469,077
Governmental Activities Capital Assets, Net	\$12,672,708	\$(202,546)	\$0	\$12,470,162

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$458,604
Vocational	1,831
Support Services:	
Pupils	318
Instructional Staff	27,272
Board of Education	870
Administration	14,625
Fiscal	1,175
Business	173
Operation and Maintenance of Plant	3,231
Pupil Transportation	123,248
Operation of Non-Instructional Services	13,016
Extracurricular Activities	17,020
Total Depreciation Expense	<u>\$661,383</u>

NOTE 11 - RISK MANAGEMENT

A. Property and Liability

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 2005, the School District contracted with Marsh Insurance Company for general liability insurance with a \$1,000,000 single occurrence limit and a \$5,000,000 aggregate. Property is also protected by Marsh Insurance Company and holds a \$1,000 deductible.

The School District's vehicles are covered under a business policy with Marsh Insurance Company which carries a \$1,000,000 limit on any accident.

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

For fiscal year 2005, the School District participated in the Southwest Ohio Educational Purchasing Cooperative's Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Integrated Comp Incorporated provides administrative, cost control and actuarial services to the GRP.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

B. School Employees Retirement System

The School District contributes to the School Employees Retirement System (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, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476, or by calling toll free (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under Forms and Publications.

NOTE 12 - DEFINED BENEFIT PENSION PLANS (continued)

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers' are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004, and 2003, were \$151,538, \$153,118, and \$162,038, respectively, equal to the required contributions for each year.

B. State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

Greeneview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 12 - DEFINED BENEFIT PENSION PLANS (continued)

For the fiscal year ended June 30, 2005, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2005, 2004, 2003 were \$603,590, \$629,445, and \$660,474, respectively; 100 percent has been contributed for all three fiscal years. Contributions to the DC and Combined Plans for fiscal year 2005 were \$6,523 made by the School District and \$5,777 made by the plan members.

NOTE 13 - POSTEMPLOYMENT BENEFITS

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS Ohio), 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 Ohio retirees who participated in the DB or combined Plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All 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 Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2005, the STRS Ohio Board allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$46,430 for fiscal year 2005.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2005, the balance in the Fund was \$3.3 billion. For the year ended June 30, 2005, net health care costs paid by STRS Ohio were \$254,780,000 and STRS Ohio had 115,395 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. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status. Premiums may be reduced for retirees whose household income falls below the poverty level.

NOTE 13 - POSTEMPLOYMENT BENEFITS (continued)

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. At June 30, 2005, the healthcare allocation is 3.43 percent. 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 2005, the minimum pay was established at \$27,400. 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. For the 2005 fiscal year, School District paid \$78,329 to fund health care benefits, including the surcharge.

Health care benefits are financed on a pay-as-you-go basis. Net health care costs for the year ending June 30, 2005 were \$178,221,113. The target level for the health care fund is 150 percent of the projected claims less premium contributions for the next fiscal year. As of June 30, 2005, the value of the health care fund was \$267.5 million, which is about 168% of next year's projected net health care costs of \$158,776,151. In the basis of actuarial projections, the allocated contributions will be insufficient, in the long term, to provide for a health care reserve equal to at least 150 percent of estimated annual net claim costs. SERS has approximately 58,123 participants currently receiving health care benefits.

NOTE 14 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is not paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 240 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 60 days.

B. Health Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees through the Horace Mann Company. The School District has elected to provide employee medical/surgical benefits through United Health Care of Ohio. The employees share the cost of the monthly premium with the Board. The premium varies with employee depending on the terms of the union contract. Dental insurance is provided by the School District to most employees through the Southwestern Ohio Educational Purchasing Cooperative's Employee Benefit Plan Trust. See Note 18.

Greeneview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 15 – CAPITAL LEASES – LESSEE DISCLOSURE

During fiscal year 2004, the School District entered into a lease-purchase agreement for building improvements. This lease met the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, “Accounting for Leases,” which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. As of June 30, 2005 the School District had completed \$700,265 of the building improvements being financing by the lease-purchase agreement, therefore, the uncapitalized portion of the agreement (\$662,735) has been reported as investments with fiscal agent. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds.

In addition to the lease-purchase agreement noted above, the School District acquired several school buses through capital leases in prior years. The capital assets acquired by lease have been capitalized in the statement of net assets for governmental activities in the amount of \$1,203,265 (\$700,265 of construction in progress and \$503,000 of vehicles), which is equal to the present value of the minimum lease payments at the time of acquisition. A corresponding liability was split between long-term liabilities due within a year and long-term liabilities due in more than one year on the statement of net assets for governmental activities. Principal payments in fiscal year 2005 totaled \$164,000.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2005.

Fiscal Year Ending June 30,	Total Payments
2006	\$215,866
2007	216,211
2008	216,150
2009	119,481
2010	118,801
2011-2015	595,137
2016-2018	357,612
Total	1,839,258
Less: Amount Representing Interest	(288,258)
Present Value of Net Minimum Lease Payments	\$1,551,000

Greeneview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 16 - LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2005 were as follows:

	Amount Outstanding 6/30/04	Additions	Deductions	Amount Outstanding 6/30/05	Amounts Due in One Year
Governmental Activities General Obligation Bonds: School Improvement Bonds 1999 3.4 to 5.75%	\$8,545,000	\$0	\$210,000	\$8,335,000	\$220,000
Capital Lease	1,715,000	0	164,000	1,551,000	168,000
Compensated Absences	592,534	23,094	96,312	519,316	40,662
Total Governmental Activities Long - Term Liabilities	<u>\$10,852,534</u>	<u>\$23,094</u>	<u>\$470,312</u>	<u>\$10,405,316</u>	<u>\$428,662</u>

School Improvement Bonds

On May 1, 1999, the Greeneview Local School District issued \$9,500,000 in voted general obligation bonds for the purpose of constructing a new high school and purchasing land to do so. The bonds were issued for a twenty-eight year period with a final maturity date of December 1, 2026.

All general obligation debt is supported by the full faith and credit of the School District. The capital lease for the school buses will be paid from the general fund, the School Improvement Bonds will be paid from the debt service fund, and the capital lease for school improvements will be paid for the permanent improvement fund. Compensated absences will be paid from the fund from which the employees' salaries are paid. At June 30, 2005, the School District's overall legal debt limitation was \$5,430,161, and the unvoted debt margin was \$149,800.

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2005, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2006	\$220,000	\$415,473	\$635,473
2007	225,000	406,238	631,238
2008	235,000	396,460	631,460
2009	245,000	386,079	631,079
2010	255,000	375,140	630,140
2011-2015	1,505,000	1,643,706	3,148,706
2016-2020	1,960,000	1,175,546	3,135,546
2021-2025	2,505,000	621,375	3,126,375
2026-2027	1,185,000	59,875	1,244,875
Total	<u>\$8,335,000</u>	<u>\$5,479,892</u>	<u>\$13,814,892</u>

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Educational Computer Association (MVECA) - The School District is a participant in MVECA, which is a computer consortium. MVECA is an association of public school districts within the geographic area determined by the Ohio Department of Education. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of MVECA consists of two representatives from each of the participating members. The School District paid MVECA \$27,609 for services provided during the year. Financial information can be obtained from MVECA located at 330 Enon Road, Yellow Springs, Ohio 45387.

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 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. 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 2005, the School District paid \$2,374 to SOEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, who serves as Director, at 1831 Harshman Road, Dayton, Ohio 45424.

Greene County Career Center - The Greene County Career Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the seven participating school districts' elected Boards, which possesses its own budgeting and taxing authority. To obtain financial information, write to the Greene County Career Center, Steve Sutcliffe, who serves as Treasurer, at 2960 W. Enon Rd., Xenia, OH 45385. The Greeneview Local School District paid \$93,105 to the Greene County Career Center during the 2005 fiscal year.

NOTE 18 - INSURANCE PURCHASING POOLS

Southwestern Ohio Educational Purchasing Cooperative's Workers' Compensation Group Rating Program - The School District participates in the Southwestern Ohio Educational Purchasing Cooperative's Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by an 11 member Board of directors. The Executive Director of the GRP, 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.

Southwestern Ohio Educational Purchasing Cooperative's Employee Benefit Plan Trust - The EPC Benefit Plan Trust is a group purchasing pool consisting of public school districts who are members of the Southwestern Ohio Educational Purchasing Cooperative (SOEPC). The purpose of the pool is for members to pool funds or resources to purchase insurance products to provide health benefits to participants at a lower rate than if the individual districts acted independently.

Greeneview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 18 - INSURANCE PURCHASING POOLS (continued)

Each district pays a monthly premium to the Trust fund for insurance coverage which is provided by Anthem Blue Cross Blue Shield or United Healthcare. Districts may also contribute monthly to the Trust fund for dental benefits provided through a dental plan administered by CoreSource. The plan is governed by a Board of Trustees elected in accordance with the Trust Agreement and voted on by participating member districts. In fiscal year 2005, Greeneview Local School District contributed \$0 to the Trust. Financial information can be obtained from Barbara Coriell, who serves as administrator, at EPC Benefits Office, 1831 Harshman Road, Dayton, OH 45424.

NOTE 19 - SET-ASIDE CALCULATIONS

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years. The amount reserved for budget stabilization represents refunds received from the Bureau of Workers' Compensation. Based upon legislative changes, this is the only money still required to be set-aside for this purpose.

The following cash basis information describes the change in the year-end set-aside amounts for textbooks, capital acquisition, and budget stabilization. Disclosure of this information is required by State statute.

	Budget Stabilization	Textbooks/ Instructional Materials	Capital Improvements
Set-aside Reserve Balance as of June 30, 2004	\$76,238	\$0	\$0
Current Year Set-aside Requirement	0	206,735	206,735
Carryover from Prior Year	0	(808,546)	0
Qualifying Disbursements	0	(903,658)	(990,202)
Current Year Offsets	0	0	(836,070)
Set-aside Reserve Balance as of June 30, 2005	\$76,238	(\$1,505,469)	(\$1,619,537)
Set-aside Balance Carried Forward to Future Fiscal Years	\$76,238	(\$1,505,469)	\$0

The School District had qualifying disbursements during the fiscal year that reduced the textbooks and instructional materials and capital acquisitions amounts below zero. This extra amount of textbooks qualifying expenditures may be used to reduce the set-aside requirements in future fiscal years. The total reserve balance for the set-asides at the end of the fiscal year was \$76,238.

NOTE 20 - INTERFUND ASSETS/LIABILITIES AND TRANSFERS

The general fund had an interfund receivable at June 30, 2005 of \$41,988, while all other nonmajor funds had interfund payables of \$41,988.

General fund advances are made to move unrestricted balances to support programs and projects accounted for in other funds. Restricted monies are used to reimburse the general fund for advancing monies to other funds due to timing differences in the receiving of grant monies. When the monies are finally received, the grant fund reimburses the general fund for the initial advance.

The general fund had transfers out to the permanent improvement fund and the latchkey special revenue non-major fund in the amount of \$527,934 and \$8,678, respectively during fiscal year 2005.

Transfers are used to move general fund revenues that are used to subsidize various programs in other funds and to create a balance to be used for future capital acquisition.

NOTE 21 – SIGNIFICANT CONTRACTUAL COMMITMENTS

As of June 30, 2005, the School District had contractual purchase commitments of \$188,136 with Nadalin Construction Company, \$34,121 with Russell Tolle and \$84,000 with Econco for improvements and additions to the intermediate school building.

NOTE 22 – FISCAL CAUTION DETERMINATION

At the request of the Greeneview Local School District Board of Education, the Ohio Department of Education performed a Financial Analysis of the School District's forecast of the general fund during fiscal year 2004. As a result of the Financial Analysis, the Ohio Department of Education (ODE) placed the district in Fiscal Caution effective February 16, 2004 based on projected cash deficits of the general fund for fiscal years 2004 and 2005.

The School District consolidated school buildings and reduced numerous positions to address those projected deficits. As a result of these cost reduction efforts, the latest five-year forecast prepared by the School District projects positive ending cash balances for the general fund for fiscal years 2005 and 2006; provided the Income Tax renewal levy in May 2006 is approved by voters. However, as of June 30, 2005, the School District is still listed in Fiscal Caution.

NOTE 23 - CONTINGENCIES

The School District received financial assistance from federal and state 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 are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2005.

**GREENEVIEW LOCAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2005**

Federal Agency/ Pass Through Agency/ Program Title	Federal CFDA Number	Pass Through Number	Receipts	Disbursements
U.S. Department of Agriculture:				
<i>Passed through Ohio Department of Education:</i>				
<u>Nutrition Cluster:</u>				
Food Donations (1)	10.550	N/A	\$ 40,770	\$ 40,770
National School Lunch Program	10.555	LL-P4-2004	21,653	21,653
		LL-P4-2005	68,674	68,674
Total National School Lunch Program			<u>90,327</u>	<u>90,327</u>
Total Nutrition Cluster			<u>131,097</u>	<u>131,097</u>
Total US Department of Agriculture			<u>131,097</u>	<u>131,097</u>
U.S. Department of Education:				
<i>Passed through Ohio Department of Education:</i>				
<u>Special Education Cluster:</u>				
Special Education Grants to States	84.027	6B-SF-2005-P	306,671	306,671
Special Education - Preschool Grants	84.173	(2)	17,482	16,910
Total Special Education Cluster			<u>324,153</u>	<u>323,581</u>
Title I Grants to Local Education Agencies	84.010	C1-S1-2004	9,133	17,309
		C1-S1-2005	131,915	125,807
		(2)	2,191	2,191
Total Title I Grants to Local Education Agencies			<u>143,239</u>	<u>145,307</u>
Safe and Drug Free Schools and Communities	84.186	DR-S1-2005	6,367	6,367
		(2)	1,436	1,436
Total Safe and Drug Free Schools and Communities			<u>7,803</u>	<u>7,803</u>
State Grants for Innovative Programs	84.298	C2-S1-2004	(2,559)	-
		C2-S1-2005	3,194	-
Total State Grants for Innovative Programs			<u>635</u>	<u>-</u>
Education Technology State Grants	84.318	TJ-S1-2004	(3,006)	-
		TJ-S1-2005	5,184	2,843
Total Education Technology State Grant			<u>2,178</u>	<u>2,843</u>
Emergency Repair Grant	84.352A	AT-S3-2005	2,486	2,486
Improving Teacher Quality State Grants	84.367	TR-S1-2004	2,271	4,548
		TR-S1-2005	47,015	42,787
Total Improving Teacher Quality State Grants			<u>49,286</u>	<u>47,335</u>
Total U.S. Department of Education			<u>529,780</u>	<u>529,355</u>
U.S. Department of Health and Human Services:				
Medical Assistance Program	93.778	(2) (3)	6,181	6,181
U.S. Department of Homeland Security:				
<i>Passed through Ohio Emergency Management Agency:</i>				
Disaster Grants - Public Assistance	96.036	N/A	3,666	3,666
Total Federal Assistance			<u>\$ 670,724</u>	<u>\$ 670,299</u>

(1) - Estimated cash value of food commodities received and used.

(2) - Grant administered by Greene County Educational Service Center on behalf of the District.

(3) - Direct award.

See accompanying notes to the Schedule of Expenditures of Federal Awards.

GREENVIEW LOCAL SCHOOL DISTRICT
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

1. Significant Accounting Policies:

The accompanying schedule of expenditures of federal awards is a summary activity of all federal awards programs of the Greeneview Local School District. The schedule has been prepared on the cash basis of accounting.

2. Nutrition Cluster:

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. 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, 2005 the District had no significant food commodities in inventory.

3. Matching Requirements:

Certain federal programs require that the District contribute non-federal funds (matching funds) to support the federally-funded programs. The expenditure of non-federal matching funds is not included on the schedule of expenditures of federal awards.



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

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

Board of Education
Greeneview Local School District
578 E. Market Street
Xenia, Ohio 45385

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greeneview Local School District (the District), as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 22, 2006, wherein we noted that the District implemented the provisions of GASB Technical Bulletin 2004-002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 an opinion 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 that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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.

Compliance and Other Matters

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 grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District in a separate letter dated March 22, 2006.

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

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
March 22, 2006



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

Independent Auditors' Report on Compliance with Requirements
Applicable to Each Major Program and Internal Control Over
Compliance in Accordance with OMB Circular A-133

Board of Education
Greeneview Local School District
578 E. Market Street
Xenia, Ohio 45385

Compliance

We have audited the compliance of the Greeneview Local 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 programs for the year ended June 30, 2005. The District's major federal programs are 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 programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 of 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 programs for the year ended June 30, 2005.

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 reportable 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 caused by error or fraud 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 solely for the information and use of the Board of Education, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
March 22, 2006

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505**

GREENEVIEW LOCAL SCHOOL DISTRICT
JUNE 30, 2005

1. SUMMARY OF AUDITORS' 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 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):	<u>Special Education Cluster:</u> CFDA # 84.027 – Special Education Grant CFDA # 84.173 – Special Education - Preschool Grant
(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 RELATED TO THE DISTRICT'S FEDERAL AWARDS

None



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Betty Montgomery**

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GREENEVIEW LOCAL SCHOOL DISTRICT

GREENE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 30, 2006**