



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

---

**STATE OF OHIO**



## TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
General Purpose Financial Statements:	
Combined Balance Sheet - All Fund Types and Account Groups June 30, 1999 .....	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances All Governmental Fund Types and Expendable Trust Fund - For the Fiscal Year Ended June 30, 1999 .....	6
Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Budgetary Basis) and Actual - All Governmental Fund Types and Expendable Trust Fund - For the Fiscal Year Ended June 30, 1999 .....	8
Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balance Proprietary Fund Type and Nonexpendable Trust Fund - For the Fiscal Year Ended June 30, 1999 .....	10
Statement of Revenues, Expenses and Changes in Fund Equity - Budget (Non-GAAP Budgetary Basis) and Actual - Proprietary Fund Type and Nonexpendable Trust Fund For the Fiscal Year Ended June 30, 1999 .....	11
Statement of Cash Flows - Proprietary Fund Type and Nonexpendable Trust Fund For the Fiscal Year Ended June 30, 1999 .....	12
Notes to the General Purpose Financial Statements .....	13
Schedule of Federal Awards Receipts and Expenditures .....	39
Notes to Schedule of Federal Awards Receipts and Expenditures .....	40
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	41
Report on Compliance with Requirements Applicable to the Major Federal Programs and Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	43
Schedule of Findings .....	45

**THIS PAGE LEFT BLANK INTENTIONALLY**



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza  
130 West Second Street  
Suite 2040  
Dayton, Ohio 45402  
Telephone 937-285-6677  
800-443-9274  
Facsimile 937-285-6688  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

Greeneview Local School District  
Greene County  
4 South Charleston Road  
Jamestown, Ohio 45335

To the Board of Education:

We have audited the accompanying general-purpose financial statements of the Greeneview Local School District, Greene County, (the District) as of and for the year ended June 30, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Greeneview Local School District, Greene County, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund type and nonexpendable trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 1999 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

**Jim Petro**  
Auditor of State

December 16, 1999



**THIS PAGE LEFT BLANK INTENTIONALLY**

**COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
JUNE 30, 1999**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Assets and Other Debits:</b>				
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$9,130	\$128,111	\$166,576	\$10,195,961
Cash and Cash Equivalents with Fiscal Agents		13,277		
Investments				
Receivables:				
Property Taxes	2,201,998		582,014	110,027
Income Taxes	233,146			
Accounts	8,013			
Intergovernmental	107,936	2,250		
Accrued Interest	2,223			
Inventory of Supplies and Materials	4,162			
Inventory Held for Resale				
Restricted Cash and Cash Equivalents	170,102			
Fixed Assets (Net, where applicable, of Accumulated Depreciation)				
<b>Other Debits:</b>				
Amount Available in Debt Service Fund for Retirement of General Long-Term Debt				
Amount to be Provided for Retirement of General Long-Term Debt				
Total Assets and Other Debits	<u>\$2,736,710</u>	<u>\$143,638</u>	<u>\$748,590</u>	<u>\$10,305,988</u>
<b>Liabilities, Fund Equity and Other Credits:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$30,676	\$5,754		\$6,300
Contracts Payable				66,115
Retainage Payable				15,080
Accrued Wages Payable	645,742	22,503		
Intergovernmental Payable	185,097	763		
Undistributed Monies				
Deferred Revenue	1,968,127		516,177	96,399
Accrued Interest Payable			15,454	
Compensated Absences Payable	8,687			
Energy Conservation Bond				
General Obligation Bonds Payable				
Total Liabilities	<u>\$2,838,329</u>	<u>\$29,020</u>	<u>\$531,631</u>	<u>\$183,894</u>
<b>Fund Equity and Other Credits:</b>				
Investment in General Fixed Assets				
Retained Earnings:				
Unreserved (Deficit)				
Fund Balance:				
Reserved for Encumbrances	46,348	8,748		403,207
Reserved for Inventory	4,162			
Reserved for Property Taxes	241,558		65,837	13,628
Reserved for Endowments				
Reserved for Budget Stabilization	136,634			
Reserved for School Bus Purchases	33,468			
Unreserved:				
Undesignated (Deficit)	(563,789)	105,870	151,122	9,705,259
Total Fund Equity (Deficit) and Other Credits	<u>(\$101,619)</u>	<u>\$114,618</u>	<u>\$216,959</u>	<u>\$10,122,094</u>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<u>\$2,736,710</u>	<u>\$143,638</u>	<u>\$748,590</u>	<u>\$10,305,988</u>

*See Accompanying Notes to the General Purpose Financial Statements*



Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$2,343	\$23,992			\$10,526,113
				13,277
	175,539			175,539
				2,894,039
				233,146
				8,013
				110,186
				2,223
2,001				6,163
12,773				12,773
				170,102
25,073		6,948,486		6,973,559
			216,959	216,959
			10,693,223	10,693,223
<u>\$42,190</u>	<u>\$199,531</u>	<u>\$6,948,486</u>	<u>\$10,910,182</u>	<u>\$32,035,315</u>
\$2,516	\$3,627			\$48,873
				66,115
				15,080
13,473				681,718
13,973			69,897	269,730
	18,643			18,643
5,348				2,586,051
				15,454
7,374			715,285	731,346
			220,000	220,000
			9,905,000	9,905,000
<u>\$42,684</u>	<u>\$22,270</u>		<u>\$10,910,182</u>	<u>\$14,558,010</u>
		6,948,486		6,948,486
(494)				(494)
				458,303
				4,162
				321,023
	175,539			175,539
				136,634
				33,468
	1,722			9,400,184
<u>(\$494)</u>	<u>\$177,261</u>	<u>\$6,948,486</u>		<u>\$17,477,305</u>
<u>\$42,190</u>	<u>\$199,531</u>	<u>\$6,948,486</u>	<u>\$10,910,182</u>	<u>\$32,035,315</u>

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<u>Total (Memorandum Only)</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>		<u>Expendable Trust</u>
<b>Revenues:</b>						
Property Taxes	\$2,141,949		\$259,220	\$288,309		\$2,689,478
Income Taxes	601,092					601,092
Intergovernmental	4,916,136	306,524	42,515	532,107		5,797,282
Interest	79,018			275,439		354,457
Tuition and Fees	140,934	2,314				143,248
Extracurricular Activities		196,732				196,732
Gifts and Donations		95			6,986	7,081
Miscellaneous	23,731					23,731
<b>Total Revenues</b>	<u>7,902,860</u>	<u>505,665</u>	<u>301,735</u>	<u>1,095,855</u>	<u>6,986</u>	<u>9,813,101</u>
<b>Expenditures:</b>						
Current:						
Instruction:						
Regular	3,792,863	49,086		209,659		4,051,608
Special	600,301	200,004				800,305
Vocational	151,301	1,225				152,526
Support Services:						
Pupils	434,262	14,250				448,512
Instructional Staff	233,781	29,704				263,485
Board of Education	97,857					97,857
Administration	879,988	99,097				979,085
Fiscal	207,716	2,543	6,301	1,892		218,452
Operation and Maintenance of Plant	603,943			159,268		763,211
Pupil Transportation	1,233,066			47,395		1,280,461
Operation of Non-Instructional Services						
	4,844					4,844
Extracurricular Activities	162,144	84,303			5,670	252,117
Capital Outlay	14,266			166,535		180,801
Debt Service:						
Principal Retirement	55,000		240,000			295,000
Interest and Fiscal Charges	14,025		28,602	304,142		346,769
<b>Total Expenditures</b>	<u>8,485,357</u>	<u>480,212</u>	<u>274,903</u>	<u>888,891</u>	<u>5,670</u>	<u>10,135,033</u>
Excess of Revenues Over (Under) Expenditures	(582,497)	25,453	26,832	206,964	1,316	(321,932)
Other Financing Sources:						
Operating Transfers In		19,518	116,805			136,323
Operating Transfers Out	(116,805)	(19,518)				(136,323)
Proceeds From the Sale of Bonds				9,635,635		9,635,635
<b>Total Other Financing Sources (Uses)</b>	<u>(116,805)</u>	<u>116,805</u>	<u>116,805</u>	<u>9,635,635</u>	<u>116,805</u>	<u>9,635,635</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(699,302)	25,453	143,637	9,842,599	1,316	9,313,703
Fund Balances at Beginning of Year - Restated (Note 3)	600,021	89,165	73,322	279,495	406	1,042,409
Decrease in Reserve for Inventory	(2,338)					(2,338)
<b>Fund Balances (Deficit) at End of Year</b>	<u>(\$101,619)</u>	<u>\$114,618</u>	<u>\$216,959</u>	<u>\$10,122,094</u>	<u>\$1,722</u>	<u>\$10,353,774</u>

See Accompanying Notes to the General Purpose Financial Statements

**THIS PAGE LEFT BLANK INTENTIONALLY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>						
Property Taxes	\$2,717,093	\$2,030,944	(\$686,149)			
Income Taxes	570,000	588,867	18,867			
Intergovernmental	4,961,407	4,916,636	(44,771)	257,779	254,552	(3,227)
Interest	81,000	76,795	(4,205)			
Tuition and Fees	132,700	145,199	12,499	43,600	2,314	(41,286)
Extracurricular Activities				140,655	196,732	56,077
Gifts and Donations				1,000	95	(905)
Miscellaneous	12,000	24,908	12,908			
Total Revenues	<u>8,474,200</u>	<u>7,783,349</u>	<u>(690,851)</u>	<u>443,034</u>	<u>453,693</u>	<u>10,659</u>
<b>Expenditures:</b>						
Current:						
Instruction:						
Regular	3,813,850	3,805,053	8,797	69,976	51,349	18,627
Special	671,504	671,074	430	195,820	184,951	10,869
Vocational	163,070	161,307	1,763	5,000	1,249	3,751
Support Services:						
Pupils	473,460	467,412	6,048			
Instructional Staff	238,428	234,109	4,319	20,043	19,944	99
Board of Education	107,555	97,366	10,189			
Administration	878,472	876,070	2,402	122,562	101,330	21,232
Fiscal	203,463	202,039	1,424	3,000	2,543	457
Operation and Maintenance of Plant	624,606	614,336	10,270			
Pupil Transportation	1,265,226	1,249,233	15,993			
Central				1,975		1,975
Operation of Non-Instructional Services	6,172	4,844	1,328			
Extracurricular Activities	162,860	161,977	883	93,510	89,115	4,395
Capital Outlay	17,000	14,266	2,734			
Debt Service:						
Principal Retirement	55,000	55,000				
Interest and Fiscal Charges	14,025	14,025				
Total Expenditures	<u>8,694,691</u>	<u>8,628,111</u>	<u>66,580</u>	<u>511,886</u>	<u>450,481</u>	<u>61,405</u>
Excess of Revenues Over (Under) Expenditures	<u>(220,491)</u>	<u>(844,762)</u>	<u>(624,271)</u>	<u>(68,852)</u>	<u>3,212</u>	<u>72,064</u>
<b>Other Financing Source (Uses):</b>						
Advances In		26,000	26,000			
Operating Transfers In				23,300	19,518	(3,782)
Proceeds From the Sale of Bonds						
Proceeds From the Sale of Notes						
Advances Out	(26,000)	(26,000)				
Operating Transfers Out	(120,000)	(116,805)	3,195	(22,000)	(19,518)	2,482
Refund of Prior Year Expenditures	1,000		(1,000)			
Total Other Financing Sources (Uses)	<u>(145,000)</u>	<u>(116,805)</u>	<u>28,195</u>	<u>1,300</u>		<u>(1,300)</u>
Excess of Revenues and Other Financing Source Over (Under) Expenditures and Other Financing Uses	<u>(365,491)</u>	<u>(961,567)</u>	<u>(596,076)</u>	<u>(67,552)</u>	<u>3,212</u>	<u>70,764</u>
Fund Balances at Beginning of Year	392,489	392,489		96,300	96,300	
Prior Year Encumbrances Appropriated	672,261	672,261		14,193	14,193	
<b>Fund Balances at End of Year</b>	<u>\$699,259</u>	<u>\$103,183</u>	<u>(\$596,076)</u>	<u>\$42,941</u>	<u>\$113,705</u>	<u>\$70,764</u>

See Accompanying Notes to the General Purpose Financial Statements

Debt Service Funds			Capital Projects Funds			Expendable Trust Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$372,500	\$372,363	(\$137)	\$168,363	\$114,005	(\$54,358)			
42,000	42,515	515	548,616	532,107	(16,509)			
15,000	15,455	455	227,140	275,439	48,299			
						6,400	6,986	586
<u>429,500</u>	<u>430,333</u>	<u>833</u>	<u>944,119</u>	<u>921,551</u>	<u>(22,568)</u>	<u>6,400</u>	<u>6,986</u>	<u>586</u>
			231,292	209,659	21,633			
6,400	6,301	99	2,025	1,892	133			
			625,000	625,639	(639)			
			73,241	66,158	7,083			
			430,000	86,642	343,358	7,260	6,170	1,090
9,690,000	9,690,000							
201,978	201,978							
<u>9,898,378</u>	<u>9,898,279</u>	<u>99</u>	<u>1,361,558</u>	<u>989,990</u>	<u>371,568</u>	<u>7,260</u>	<u>6,170</u>	<u>1,090</u>
<u>(9,468,878)</u>	<u>(9,467,946)</u>	<u>932</u>	<u>(417,439)</u>	<u>(68,439)</u>	<u>349,000</u>	<u>(860)</u>	<u>816</u>	<u>1,676</u>
5,000	5,000							
52,152	116,805	64,653						
9,450,500	9,454,869	4,369	50,000	50,000				
			9,450,000	9,450,000				
(5,000)	(5,000)							
						500	500	
<u>9,502,652</u>	<u>9,571,674</u>	<u>69,022</u>	<u>9,500,000</u>	<u>9,500,000</u>		<u>500</u>	<u>500</u>	
33,774	103,728	69,954	9,082,561	9,431,561	349,000	(360)	1,316	1,676
62,848	62,848		219,560	219,560		404	404	
			70,868	70,868				
<u>\$96,622</u>	<u>\$166,576</u>	<u>\$69,954</u>	<u>\$9,372,989</u>	<u>\$9,721,989</u>	<u>\$349,000</u>	<u>\$44</u>	<u>\$1,720</u>	<u>\$1,676</u>

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS/FUND BALANCE  
PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	<u>Totals (Memorandum Only)</u>
<b>Operating Revenues:</b>			
Sales	\$245,863		\$245,863
Interest		10,706	10,706
Contributions and Donations		25,729	25,729
Total Operating Revenues	<u>245,863</u>	<u>36,435</u>	<u>282,298</u>
<b>Operating Expenses:</b>			
Salaries and Wages	101,641		101,641
Fringe Benefits	44,039		44,039
Purchased Services	7,899		7,899
Materials and Supplies	24,033		24,033
Cost of Sales	176,650		176,650
Other	50	10,706	10,756
Depreciation	2,936		2,936
Total Operating Expenses	<u>357,248</u>	<u>10,706</u>	<u>367,954</u>
<b>Operating Income (Loss)</b>	<u>(111,385)</u>	<u>25,729</u>	<u>(85,656)</u>
<b>Non-Operating Revenues/Expenses:</b>			
Federal and State Subsidies	77,154		77,154
Federal Donated Commodities	21,944		21,944
Total Non-Operating Revenues/Expenses:	<u>99,098</u>		<u>99,098</u>
Net Income (Loss)	(12,287)	25,729	13,442
Retained Earnings/Fund Balance at Beginning of Year	<u>11,793</u>	<u>149,810</u>	<u>161,603</u>
<b>Retained Earnings (Deficit)/Fund Balance at End of Year</b>	<u>(\$494)</u>	<u>\$175,539</u>	<u>\$175,045</u>

*See Accompanying Notes to the General Purpose Financial Statements*

**STATEMENT OF REVENUE, EXPENSES AND  
CHANGES IN FUND EQUITY - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	Enterprise Fund			Nonexpendable Trust Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>						
Sales	\$255,349	\$245,863	(\$9,486)			
Federal and State Subsidies	94,000	77,154	(16,846)			
Interest				10,300	10,706	406
Contributions and Donations					25,729	25,729
<b>Total Revenues</b>	349,349	323,017	(26,332)	10,300	36,435	26,135
<b>Expenses:</b>						
Salaries and Wages	103,100	103,100				
Fringe Benefits	43,929	43,928	1			
Purchased Services	9,184	8,504	680			
Supplies and Materials	179,776	178,790	986			
Other	50	50		10,700	10,706	(6)
Capital Outlay	2,102	2,102				
<b>Total Expenses</b>	338,141	336,474	1,667	10,700	10,706	(6)
Excess of Revenues Over (Under) Expenses Before Advances	11,208	(13,457)	(24,665)	(400)	25,729	26,129
Advances In Advances Out	(21,000)	21,000	21,000			
Excess of Revenues Over (Under) Expenses	(9,792)	(13,457)	(3,665)	(400)	25,729	26,129
Fund Equity at Beginning of Year	5,700	5,700		149,810	149,810	
Prior Year Encumbrances Appropriated	5,399	5,399				
<b>Fund Equity (Deficit) at End of Year</b>	\$1,307	(\$2,358)	(\$3,665)	\$149,410	\$175,539	\$26,129

See Accompanying Notes to the General Purpose Financial Statements

**STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Total (Memorandum Only)</u>
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	
<b>Cash Flows from Operating Activities:</b>			
Cash Received from Customers	\$245,863		\$245,863
Cash Received from Contributions and Donations		25,729	25,729
Cash Payments for Employee Services and Benefits	(147,027)		(147,027)
Cash Payments to Suppliers for Goods and Services	(184,696)		(184,696)
Other Operating Expenses	(50)	(10,706)	(10,756)
Net Cash Provided By (Used In) Operating Activities	<u>(85,910)</u>	<u>15,023</u>	<u>(70,887)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Federal and State Subsidies	77,154		77,154
Advance In	21,000		21,000
Advance Out	(21,000)		(21,000)
Total Cash Provided By Noncapital Financing Activities	<u>77,154</u>	<u>0</u>	<u>77,154</u>
<b>Cash Flows from Investing Activities:</b>			
Interest	0	10,706	10,706
Purchase of Investments	0	(25,729)	(25,729)
Cash Flows Used In Investing Activities:	<u>0</u>	<u>(15,023)</u>	<u>(15,023)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(8,756)		(8,756)
Cash and Cash Equivalents at Beginning of Year	<u>11,099</u>		<u>11,099</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>\$2,343</u></u>	<u><u>\$0</u></u>	<u><u>\$2,343</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:</b>			
Operating Income (Loss)	(\$111,385)	\$25,729	(\$85,656)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:			
Depreciation	2,936		2,936
Donated Commodities Received	21,944		21,944
Nonexpendable Trust Fund Interest		(10,706)	(10,706)
Changes in Assets and Liabilities:			
Decrease in Supplies Inventory	621		621
Increase in Inventory Held for Resale	(102)		(102)
Increase in Accounts Payable	1,423		1,423
Decrease in Accrued Salaries Payable	(1,878)		(1,878)
Decrease in Intergovernmental Payable	(76)		(76)
Increase in Compensated Absences Payable	607		607
<b>Net Cash Provided By (Used In) Operating Activities</b>	<u><u>(\$85,910)</u></u>	<u><u>\$15,023</u></u>	<u><u>(\$70,887)</u></u>
Reconciliation of Cash and Cash Equivalents of Nonexpendable Trust Fund to Balance Sheet			
Cash and Cash Equivalents-All Fiduciary Funds		\$23,992	
Cash and Cash Equivalents-Expendable Trust and Agency Fund		<u>(23,992)</u>	
Cash and Cash Equivalents-Nonexpendable Trust Fund		<u><u>\$0</u></u>	

See Accompanying Notes to the General Purpose Financial Statements



**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**

**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 76 non-certified employees, 108 certified full time teaching personnel, including 7 administrators, who provide services to 1,692 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 for the organization. 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 general purpose 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 Pool
- Southwestern Ohio Educational Purchasing Cooperative's Employee Benefit Plan Trust

**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 School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**  
**(Continued)**

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

**A. Basis Of Presentation - Fund Accounting**

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net available expendable resources.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary, and fiduciary.

**1. Governmental Fund Types:**

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

**General Fund**

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

**Special Revenue Funds**

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

**Debt Service Fund**

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

**Capital Projects Funds**

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**  
**(Continued)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2. Proprietary Fund Type:**

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

**Enterprise Fund**

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

**3. Fiduciary Fund Types:**

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The School District's fiduciary funds include expendable trust, nonexpendable trust and agency funds. The expendable trust fund is accounted for in essentially the same manner as governmental funds. The nonexpendable trust fund is accounted for in essentially the same manner as proprietary funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**4. Account Groups:**

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

**General Fixed Assets Account Group**

This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary or trust funds.

**General Long-Term Obligations Account Group**

This account group is established to account for all long-term obligations of the School District except those accounted for in the proprietary or trust funds.

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

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**  
**(Continued)**

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

The enterprise and nonexpendable trust fund are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Enterprise and nonexpendable trust fund's operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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

The modified accrual basis of accounting is followed for the governmental, expendable trust and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after fiscal year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available as an advance, taxpayer-assessed income taxes, interest, tuition, grants, and student fees.

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 1999, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2000 operations, have been recorded as deferred revenue.

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

The accrual basis of accounting is utilized for reporting purposes by the enterprise and nonexpendable trust funds. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

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

The accrual basis of accounting is utilized for reporting purposes by the enterprise and nonexpendable trust funds. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**  
**(Continued)**

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

**C. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The special revenue funds grant activity that is administered by a fiscal agent is not budgeted by the School District. The primary level of budgetary control is at the object level within each function. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Advances in and Advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

**Tax Budget:**

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

**Estimated Resources:**

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 1999.

**Appropriations:**

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation, or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education.

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**  
**(Continued)**

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

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

**Encumbrances:**

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

**Lapsing of Appropriations:**

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

**E. Cash and Cash Equivalents**

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through School District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the combined balance sheet. During fiscal year 1999, investments were limited to repurchase agreements and certificates of deposit.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

Following Ohio statutes, 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 1999 amounted to \$79,018, which includes \$56,776 assigned from other School District funds. The capital projects funds and nonexpendable trust fund also received interest of \$275,439 and \$10,706, respectively.

The balance of various grant activity administered by the fiscal agent is presented on the combined balance sheet as "cash and cash equivalents with fiscal agents" and represents deposits.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**  
**(Continued)**

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

**F. Inventory**

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated food, purchased food, and non-food supplies and are expensed when used.

**G. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include unexpended revenues restricted for the purchase of buses, and the amounts required to be set aside by the School District for the purchase of textbooks, for the acquisition or construction of capital assets and to create a reserve for budget stabilization. See Note 20 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

**H. Fixed Assets and Depreciation**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the enterprise fund are capitalized in the fund. All fixed 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 five hundred dollars. The School District does not have any infrastructure.

Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of general fixed assets is also not capitalized.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the enterprise funds is computed using the straight-line method over an estimated useful life of ten years. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

**I. Intergovernmental Revenues**

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for enterprise fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

The School District currently participates in several State and Federal programs, categorized as follows:

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**  
**(Continued)**

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

*Entitlements*

*General Fund*

- State Foundation Program
- State Property Tax Relief
- School Bus Purchase Program

*Non-Reimbursable Grants*

*Special Revenue Funds*

- Education Management Information Systems
- Schools On The Move
- Public School Preschool
- Disadvantaged Pupil Impact Aid
- Title I
- Title VI
- Title VI-B
- Teacher Development
- Textbook/instructional Materials Subsidy Fund
- School Net Technical Training Grant
- Data Communications
- State Preschool Consolidated Grant
  - Drug Free Schools
  - Eisenhower Grant
  - Goals 2000
  - School To Work

*Capital Projects Funds*

- School Net
- Tech Equity
  - Ohio Facilities Grant
  - Interactive Video Distance Learning Grant

*Reimbursable Grants*

*General Fund*

- Driver Education

*Proprietary Fund*

- National School Lunch Program
- Government Donated Commodities

Grants and entitlements received in governmental funds amounted to fifty-nine percent of governmental fund revenue during the 1999 fiscal year.

**J. Compensated Absences**

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



**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**  
**(Continued)**

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

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.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In the enterprise fund, the entire amount of compensated absences is reported as a fund liability.

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

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Payments made more than sixty days after year-end are considered not to have been paid using current available financial resources. Bonds and long-term loans are reported as a liability of the general long-term obligations account group until due. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

**L. Interfund Transactions**

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**M. Fund Balance Reserves**

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. 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, inventory, property taxes, endowments, budget stabilization and school bus purchases.

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. The reserve for endowments signifies the legal restriction on the use of principal.

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**  
**(Continued)**

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

**N. 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 could differ from those estimates.

**O. Total Columns on General Purpose Financial Statements**

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

**3. PRIOR PERIOD ADJUSTMENTS**

For fiscal year 1999, the School District restated fund balance in the special revenue funds. The School District received updated information for cash and cash equivalents with fiscal agents from the Greene County Educational Service Center. The effect of this change was to restate fund balance \$3,604, from \$85,561 to \$89,165.

**4. COMPLIANCE AND ACCOUNTABILITY**

Contrary to Section 5705.41(B), Ohio Revised Code, the following accounts had expenditures plus encumbrances in excess of appropriations:

	<u>Excess</u>
<b><u>General Fund:</u></b>	
Fiscal	
Other	229
<b><u>Special Revenue Funds:</u></b>	
<b><i>Athletic</i></b>	
Extracurricular Activities - Academic Oriented Activities	
Materials and Supplies	10,008
Other	34
Extracurricular Activities - Sport Oriented Activities	
Other	59
<b><i>Federal "Promoting Health"</i></b>	
Vocational Instruction	
Materials and Supplies	243
<b><u>Nonexpendable Trust Fund:</u></b>	
<b><i>Scholarship</i></b>	
Other	6

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**  
**(Continued)**

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

The General Fund and the Food Service enterprise fund had deficit fund balances of \$101,619 and \$494, respectively. The deficit in the general fund will be eliminated either through an increase in taxes or intergovernmental revenues. The deficit in the food service enterprise fund will be eliminated either through an increase in rates or will be subsidized by the general fund.

**5. BUDGETARY BASIS OF ACCOUNTING**

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund type (GAAP basis).
4. The School District does not budget for activities of various grants administered by the fiscal agent who collects and holds the assets. However, the activities of the fiscal agent are included in the special revenue funds for GAAP reporting purposes.
5. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than balance sheet transactions (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type.

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**  
**(Continued)**

**5. BUDGETARY BASIS OF ACCOUNTING (Continued)**

**Excess of Revenues and Other Financing Sources  
Over (Under) Expenditures and Other Financing Uses  
All Governmental Fund Types and Expendable Trust Fund**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
GAAP Basis	(\$699,302)	\$25,453	\$143,637	\$9,842,599	\$1,316
Revenue Accruals	(119,511)	(1,951)	(2,168)	(174,304)	500
Expenditure Accruals	(66,705)	4,809	(173,376)	372,873	(500)
Note Proceeds	0	0	0	9,450,000	0
Reallocation of Debt Activity	0	0	9,585,635	(9,585,635)	0
Note Principal Payments	0	0	(9,450,000)	0	0
Non-budgeted Activity	0	(10,693)	0	0	0
Encumbrances	(76,049)	(14,406)	0	(473,972)	0
Budget Basis	<u>(\$961,567)</u>	<u>\$3,212</u>	<u>\$103,728</u>	<u>\$9,431,561</u>	<u>\$1,316</u>

**Net Income (Loss)/Excess of Revenues Over (Under) Expenses  
Enterprise Fund and Nonexpendable Trust Fund**

	<u>Enterprise</u>	<u>Nonexpendable</u>
GAAP Basis	(\$12,287)	\$25,729
Revenue Accruals	0	0
Expense Accruals	1,114	0
Supplies Inventory	(621)	0
Inventory Held for Resale	102	0
Depreciation Expense	2,936	0
Encumbrances	(4,701)	0
Budget Basis	<u>(\$13,457)</u>	<u>\$25,729</u>

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**  
**(Continued)**

**6. DEPOSITS AND INVESTMENTS**

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

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

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

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 accounts, including passbook accounts.

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

Inactive monies are permitted to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes debentures, or any other obligations or security issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio)

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**  
**(Continued)**

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

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

**Cash on Hand:**

At fiscal year end, the School District had \$300 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 agent" of \$13,277 shown in the special revenue funds is maintained by the Greene County Educational Service Center. GASB 3 disclosures regarding this amount can be obtained from their annual report.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments Including Repurchase Agreements), and Reverse Repurchase Agreements".

**Deposits:**

At fiscal year end, the carrying amount of the School District's deposits was \$10,513,423 and the bank balance was \$10,611,976. Of the bank balance:

- A. \$200,000 was covered by federal depository insurance
2. \$10,411,976 was uninsured and uncollateralized. Although all State 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.

**Investments:**

The School District's investments are categorized below to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name.

The School District's only investment at year end was a repurchase agreement. It is a Category 3 investment, with a carrying value and a market value of \$358,031.

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9 entitled "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting."

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**  
**(Continued)**

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

	<b>Cash and Cash Equivalents/ Deposits</b>	<b>Investments</b>
GASB Statement 9	\$10,709,492	\$175,539
Cash on Hand	(300)	0
Cash with Fiscal Agent	(13,277)	
Investments:		
Certificates of Deposit	175,539	(175,539)
Repurchase Agreement	(358,031)	358,031
GASB Statement 3	\$10,513,423	\$358,031

**7. PROPERTY TAXES**

Property taxes levied are assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar year 1999 for real and public utility property taxes represents collections of calendar 1998 taxes. Property tax payments received during calendar year 1999 for tangible personal property (other than public utility property) is for calendar year 1999 taxes.

1999 real property taxes are levied after April 1, 1999, on the assessed value as of January 1, 1999, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value. First half 1999 real property taxes are collected in and intended to finance fiscal year 2000.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 1999 public utility property taxes became a lien December 31, 1998, are levied after April 1, 1999, and are collected in 2000 with real property taxes.

1999 tangible personal property taxes are levied after April 1, 1998, on the value as of December 31, 1998. Collections are made in 1999. Tangible personal property assessments are twenty-five percent of true value.

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

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**  
**(Continued)**

**7. PROPERTY TAXES (Continued)**

Assessed values upon which fiscal year 1999 taxes were collected are:

	<b>1998 Second- Half Collections</b>		<b>1999 First- Half Collections</b>	
	<b>Amount</b>	<b>Percent</b>	<b>Amount</b>	<b>Percent</b>
Agricultural/Residential and Other Real Estate	\$93,024,840	87.55%	\$94,952,690	87.42%
Public Utility	12,360	0.01	12,360	0.01
Tangible Personal Property	13,219,340	12.44	13,647,112	12.57
<b>Total Assessed Value</b>	<b>\$106,256,540</b>	<b>100.00%</b>	<b>\$108,612,162</b>	<b>100.00%</b>
Tax rate per \$1,000 of assessed valuation	\$35.85		\$40.70	

Manufactured Home Tax, commonly referred to as House Trailer Tax, is based on the purchase price obtained from the title: (1) ninety-five percent unfurnished or (2) eighty percent furnished with a five percent drop each year.

**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 1/1/91, and is a continuing tax. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The 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.

**9. RECEIVABLES**

Receivables at June 30, 1999, consisted of property taxes and income taxes, accounts, interest and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:



**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**  
**(Continued)**

**9. RECEIVABLES (Continued)**

	<b>Amounts</b>
General Fund:	
Drivers Education Subsidy	\$1,200
Regional Minibus Reimbursement	21
GCESC Foundation Deduction Refund	99,573
Mont. Co. Transportation Reimbursement	6,728
Bureau of Worker's Comp Refund	414
Total General Fund	107,936
Special Revenue Fund:	
Teacher Development	2,250
Total Intergovernmental Receivables	<b>\$110,186</b>

**10. FIXED ASSETS**

A summary of the enterprise fund's fixed assets at June 30, 1999, follows:

Furniture and Equipment	\$146,127
Less Accumulated Depreciation	(121,054)
Net Fixed Assets	<b>\$25,073</b>

A summary of the changes in general fixed assets during fiscal year 1999 follows:

<b>Asset Category</b>	<b>Balance at 6/30/98</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at 6/30/99</b>
Land and Improvements	\$381,978	\$0	\$0	\$381,978
Buildings	2,610,556	0	0	2,610,556
Furniture, Fixtures and Equipment	1,304,512	240,788	1,185	1,544,115
Vehicles	1,180,854	667,165	297,180	1,550,839
Educational Media	638,876	0	0	638,876
Construction In Progress	0	222,122	0	222,122
Total General Fixed Assets	<b>\$6,116,776</b>	<b>\$1,130,075</b>	<b>\$298,365</b>	<b>\$6,948,486</b>

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**  
**(Continued)**

**11. RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 1999, the School District contracted with Nationwide Insurance Company for general liability insurance with a \$2,000,000 single occurrence limit and a \$5,000,000 aggregate. Property is protected by Indiana Insurance Company and holds a \$500 deductible.

The School District's vehicles are covered under a business policy with Indiana 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 1999, the School District participated in the Southwest Ohio Educational Purchasing Cooperative's Workers' Compensation Pool (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 Accordia provides administrative, cost control and actuarial services to the GRP.

**12. DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

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

Plan members are required to contribute 9 percent of their annual covered salary and the Greeneview Local School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. For fiscal year 1999, 7.7 percent was the portion to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS's Retirement Board. The School District's contributions for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$87,561, \$115,403, and \$110,416, respectively, 41.30 percent has been contributed for fiscal year 1999 and 100 percent for the fiscal years 1998 and 1997. \$51,394 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds and the general long-term obligations account group.

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**  
**(Continued)**

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

**B. State Teachers Retirement System**

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

Plan members are required to contribute 9.3 percent of their annual covered salary and the Greeneview Local School District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$227,154, \$412,938, and \$499,518, respectively, 80.74 percent has been contributed for fiscal year 1999 and 100 percent for fiscal years 1998 and 1997. \$43,743 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 1999, two members of the Board of Education have elected social security. The Board's liability is 6.2 percent of wages paid.

**13. POSTEMPLOYMENT BENEFITS**

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefits recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. Through June 30, 1999, the board currently allocates employer contributions equal to eight percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$302,873 during 1999.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$2,156 million at June 30, 1998. For the year ended June 30, 1998, net health care costs paid by STRS were \$219,224,000 and STRS had 91,999 eligible benefit recipients.

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

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**  
**(Continued)**

**13. POSTEMPLOYMENT BENEFITS (Continued)**

For this fiscal year, employer contributions to fund health care benefits were 4.21 percent of covered payroll, an increase from 6.3 percent for fiscal year 1999. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 1999, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 125 percent of annual health care expenses. Expenses for health care at June 30, 1998, were \$111,900,575 and the target level was \$139.9 million. At June 30, 1998, SERS had net assets available for payment of health care benefits of \$160.3 million. SERS has approximately 50,000 participants currently receiving health care benefits. For the School District, the amount to fund health care benefits, including the surcharge, equaled \$89,562 during the 1999 fiscal year.

**14. 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 insurances is provided by the School District to most employees through the Southwestern Ohio Educational Purchasing Cooperative Employee Benefit Plan Trust. See Note 18.

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**  
**(Continued)**

**15. NOTES PAYABLE**

The changes in the School District's short-term obligations during fiscal year 1999 were as follows:

	<u>Principal Outstanding 7/1/98</u>	<u>Additions</u>	<u>Deductions</u>	<u>Principal Outstanding 6/30/99</u>
School Improvement Note 1998 3.84 %	\$0	\$9,450,000	\$9,450,000	\$0

During fiscal year 1999, the School District issued School Improvement Bonds in order to build a new high school. The notes were dated December 18, 1998, and carried an interest rate of 3.84%. The notes were paid off when the bonds were issued.

**16. LONG-TERM OBLIGATIONS**

The changes in the School District's long-term obligations during fiscal year 1999 were as follows:

	<u>Principal Outstanding 7/1/98</u>	<u>Additions</u>	<u>Deductions</u>	<u>Principal Outstanding 6/30/99</u>
Energy Conservation Bonds 1993 5.10%	\$275,000	\$0	\$55,000	\$220,000
Building Renovation Bonds 1983 9.375%	145,000	0	145,000	0
School Bus Bonds 1998 5.00%	500,000	0	95,000	405,000
School Improvement Bonds 1999 3.4 to 5.75%	<u>0</u>	<u>9,500,000</u>	<u>0</u>	<u>9,500,000</u>
Total Long-Term Debt	920,000	9,500,000	295,000	10,125,000
Intergovernmental Payable	76,431	69,897	76,431	69,897
Compensated Absences	<u>709,784</u>	<u>5,501</u>	<u>0</u>	<u>715,285</u>
Total General Long-Term Obligations	<u>\$1,706,215</u>	<u>\$9,575,398</u>	<u>\$371,431</u>	<u>\$10,910,182</u>

**Energy Conservation Bonds**

On July 1, 1993, Greeneview Local School District issued \$550,000 in unvoted general obligation bonds for the purpose of providing energy conservation measures for Greeneview Local School District under authority of the Ohio Revised Code section 133.06(G) and 3313.372. The bonds were issued for a ten year period with final maturity during fiscal year 2003 and the debt will be retired through the savings of the energy conservation measures.

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**  
**(Continued)**

**16. LONG-TERM OBLIGATIONS (Continued)**

**Greeneview Building Renovations Bonds**

On December 1, 1983, Greeneview Local School District issued \$2,175,000 in voted general obligation bonds for the purposing of construction and renovations of their schools. The bonds were issued for a fifteen year period with a final maturity at December 1, 1998.

**School Bus Bonds**

On June 1, 1998, the Greeneview Local School District issued \$500,000 in unvoted general obligation bonds for the purpose of acquiring school buses. The bonds were issued for a five year period with a final maturity on April 15, 2003.

**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. The bonds were issued at a premium of \$135,634 and received \$15,455 of accrued interest.

All general obligation debt is supported by the full faith and credit of the School District. The Energy Conservation Bond will be paid from the General Fund while the Building Renovation General Obligation Bonds, School Bus Bonds and School Improvement Bonds will be paid from the Debt Service Fund. Compensated absences and the intergovernmental payable will be paid from the fund from which the employees' salaries are paid. The School District's overall debt margin was \$477,019, the energy conservation debt margin was \$4,842,092 and the unvoted debt margin was \$108,612 at June 30, 1999.

Principal and interest requirements to retire general obligation debt outstanding at June 30, 1999, are as follows:

<b>Fiscal year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2000	\$344,000	\$530,440	\$874,440
2001	334,000	477,743	811,743
2002	342,000	463,325	805,325
2003	360,000	448,293	808,293
2004	200,000	432,336	632,336
2005-2009	1,135,000	2,028,429	3,163,429
2010-2014	1,425,000	1,725,208	3,150,208
2015-2019	1,865,000	1,273,931	3,138,931
2020-2024	2,385,000	743,625	3,128,625
2025-2027	1,735,000	132,875	1,867,875
Total	<u>\$10,125,000</u>	<u>\$8,256,205</u>	<u>\$18,381,205</u>

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**  
**(Continued)**

**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 representative from each of the participating members. The School District paid MVECA \$16,513 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 Cooperative** - The Southwestern Ohio Educational Purchasing Cooperative (SOEPC) is a purchasing cooperative made up of nearly 100 school districts in 12 counties. The Montgomery County Educational Service Center acts as the fiscal agent for the group. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SOEPC.

Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts by the fiscal agent. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the General Fund. Payments made to SWOEPC during the 1999 fiscal year were \$33,563. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Cooperative, Robert Brown, who serves as Director, 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 it's 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 did not contribute any money to the Greene County Career Center during the 1999 fiscal year.

**18. INSURANCE PURCHASING POOL**

**Southwestern Ohio Educational Purchasing Cooperative's Workers' Compensation Pool** - 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 a 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.

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**  
**(Continued)**

**18. INSURANCE PURCHASING POOL (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 self funded 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 1999, Greeneview Local School District contributed \$617,342 which represented 1.14% of total contributions 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 - SIGNIFICANT CONTRACTUAL COMMITMENTS**

At June 30, 1999, the School District had the following significant contractual commitments for the addition at Greeneview Central Middle School:

Vendor	Contract Amount	Amount Completed	Amount Outstanding
Saturn Electric, Inc.	\$69,593	\$35,351	\$34,242
R.J. Lemmons	80,300	21,050	59,250
Staffco Construction, Inc.	395,300	130,000	265,300
FJM Architects	42,525	35,721	6,804

**20. SET ASIDE CALCULATIONS AND FUND RESERVES**

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition 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 School District is also required to set aside money for budget stabilization.

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.

	Textbooks	Capital Acquisition	Budget Stabilization	Totals
Set-aside Cash Balance as of June 30, 1998	\$0	\$0	\$76,238	\$76,238
Current Year Set-aside Requirement	89,980	120,792	60,396	271,168
Qualifying Disbursements	(89,980)	(120,792)	(0)	(210,772)
Set-aside Cash Balance as of June 30, 1999	<u>\$0</u>	<u>\$0</u>	<u>\$136,634</u>	136,634
Amount restricted for bus purchases				<u>33,468</u>
Total Restricted Assets				<u>\$170,102</u>



**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**  
**(Continued)**

**20. SET ASIDE CALCULATIONS AND FUND RESERVES (Continued)**

Amounts of qualifying disbursements presented in the table were limited to those necessary to reduce the year-end balance to zero. Although the School District may have had additional qualifying disbursements during the year, these extra amounts may not be used to reduce the set-aside requirements of future years, and therefore are not presented.

**21. CONTINGENCIES**

**A. Grants**

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 1999.

**B. Litigation**

The School District is party to no legal proceedings.

**22. SCHOOL FUNDING COURT DECISION**

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amount of monetary support to the School District. During the fiscal year ended June 30, 1999, the School District received \$4,632,090 of school foundation support for its general fund.

Since the Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County is currently reviewing the new laws to determine whether they are constitutional under the "thorough and efficient" clause of the Ohio Constitution. According to the Ohio attorney general's office, a decision is expected from the Perry County Court sometime in early calendar year 1999; either party then has the right to appeal that decision directly to the Ohio Supreme Court. Any decision made by the Court of Common Pleas is likely to be appealed.

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

**22. YEAR 2000 COMPLIANCE**

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the government's operations as early as fiscal year 1999.

Greeneview Local School District uses the State of Ohio Uniform School Accounting System software for its financial reporting, and the State of Ohio Uniform School Payroll System software for its payroll and employee benefits. The State is responsible for remediating these systems and any associated costs.

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**  
**(Continued)**

**22. YEAR 2000 COMPLIANCE (Continued)**

Greene County collects property taxes for distribution to Greeneview Local School District. Greene County is responsible for remediating the tax collection system and is solely responsible for any costs associated with the tax collection system project.

The State of Ohio distributes a substantial sum of money to the School District in the form of "Foundation" payments. Further, the State processes a significant amount of financial and non-financial information about the School District through the State's Education Management and Information System (EMIS). The State is responsible for remediating these systems and is solely responsible for any costs associated with the Foundation processing and EMIS systems.

The School District has automated power systems from Honeywell which have extensive efficiency utilization measures within the systems. The School District has received a letter from the vendor stating "the current H & BC automation products...are year 2000 compliant."

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the School District is or will be Year 2000 ready, that the School District's remediation efforts will be successful in whole or in part, or that parties with whom the School District does business will be year 2000 ready.

**23. SUBSEQUENT EVENT**

The District has made a 5 year projection based on current taxing levels and expected revenue increases from other sources. This projection indicates a \$495,915 cash balance shortfall by June 30, 2001.

The District has placed a 1/2% income tax levy on the March 2000 ballot which would yield approximately \$600,000 per year. The Board has already made \$175,000 in cuts to teaching positions for the 2000-01 school year and plans to make additional cuts in January 2000. Also, the Board is considering the adoption of open enrollment for 2000-01 which would yield over \$4,250 per student coming to the District, and the possible application for a one year waiver of the State set aside requirement for the budget reserve on June 30, 2000.

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 1999**

<b>Federal Grantor/ Pass Through Grantor Program Title</b>	<b>Pass Through Entity Number</b>	<b>Federal CFDA Number</b>	<b>Receipts</b>	<b>Non-Cash Receipts</b>	<b>Disbursements</b>	<b>Non-Cash Disbursements</b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550		\$20,040		\$21,944
National School Lunch Program	03-PU-98	10.555	3,560		3,560	
	03-PU-99		20,332		20,332	
	04-PU-98		7,112		7,112	
	03-PU-99		42,178		42,178	
Total National School Lunch Program			73,182	0	73,182	0
Total U. S. Department of Agricultural - Nutrition Cluster			73,182	20,040	73,182	21,944
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
Impact Aid - PL 874	N/A	84.041	2,093		2,093	
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States (IDEA Part B)	6B-SF-98	84.027	69,488		69,488	
<i>Administered by Greene County Educational Service Center On Behalf Of the District:</i>						
Special Education - Preschool Grant	N/A	84.173	13,182		12,808	
Total Special Education Cluster			82,670		82,296	
<i>Passed Through Ohio Department of Education:</i>						
Grants to Local Educational Agencies (ESEA Title I)						
	C1-S1-99	84.010	114,387		105,930	
Innovative Educational Program Strategies	C2-S1-99	84.298	6,177		2,104	
Goals 2000 - State and Local Education System Improvement Grants - School to Work	WK-EE-98	84.276	5,000		4,427	
<i>Administered by Greene County Educational Service Center On Behalf Of the District:</i>						
Drug-Free Schools Grant	N/A	84.186	16,890		14,250	
Eisenhower Professional Development State Grants (Title II, Part B)	N/A	84.281	13,179		5,271	
Goals 2000 - State and Local Education System Improvement Grants	N/A	84.276	6,471		7,706	
Total Department of Education			246,867	0	224,077	0
<b>Total Federal Assistance</b>			<b>\$320,049</b>	<b>\$20,040</b>	<b>\$297,259</b>	<b>\$21,944</b>

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

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND  
EXPENDITURES FOR THE YEAR ENDED JUNE 30, 1999**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - NUTRITION CLUSTER**

Nonmonetary assistance such as food received from the U.S. Department of Agriculture, is reported in the schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 1999, the District had food commodities valued at \$5,448 in inventory.



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza  
130 West Second Street  
Suite 2040  
Dayton, Ohio 45402  
Telephone 937-285-6677  
800-443-9274  
Facsimile 937-285-6688  
www.auditor.state.oh.us

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

Greeneview Local School District  
Greene County  
4 South Charleston Road  
Jamestown, Ohio 45335

To the Board of Education:

We have audited the accompanying general-purpose financial statements of the Greeneview Local School District, Greene County, (the District) as of and for the year ended June 30, 1999, and have issued our report thereon dated December 16, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 16, 1999.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 16, 1999.

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

**Jim Petro**  
Auditor of State

December 16, 1999



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza  
130 West Second Street  
Suite 2040  
Dayton, Ohio 45402  
Telephone 937-285-6677  
800-443-9274  
Facsimile 937-285-6688  
www.auditor.state.oh.us

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

Greeneview Local School District  
Greene County  
4 South Charleston Road  
Jamestown, Ohio 45335

To the Board of Education:

**Compliance**

We have audited the compliance of the Greeneview Local School District, Greene County, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. 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 each of 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 generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

**Internal Control Over Compliance**

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted one matter involving the internal control over federal compliance that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 16, 1999.

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

**Jim Petro**  
Auditor of State

December 16, 1999



**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 1999**

<b>SUMMARY OF AUDITOR'S RESULTS</b>
-------------------------------------

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Nutrition Cluster: CFDA #10.550 and CFDA # 10.555  Grants to Local Educational Agencies CFDA # 84.010
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No





STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**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  
FEBRUARY 1, 2000**