



Dave Yost • Auditor of State

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greeneview Local School District, Greene County, (the District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Greeneview Local School District, Greene County, as of June 30, 2010, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2011, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The Federal Awards Receipts and Expenditures Schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The Federal Awards Receipts and Expenditures Schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State

January 10, 2011

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

The discussion and analysis of Greeneview Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2010 are as follows:

- In total, net assets increased \$4,166,684, which represents a 58 percent increase from 2009 and is largely the result of the Ohio School Facilities Grant.
- General revenues accounted for \$15,369,406 in revenue or 87 percent of all revenues. Program specific revenues in the form of charges for services, operating grants, interest and contributions accounted for \$2,339,895 or 13 percent of total revenues of \$17,709,301.
- Total assets of governmental activities increased by \$3,449,749 as cash and cash equivalents increased by \$3,727,445, receivables decreased by \$348,528, and capital assets increased by \$80,515.
- The School District had \$13,542,617 in expenses; only \$2,339,895 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and entitlements) were \$15,369,406.
- Among major funds, the general fund had \$11,950,587 in revenues and \$11,075,443 in expenditures. The general fund's balance increased \$797,566 from 2009. The new Classroom Facilities Capital Project Fund had \$3,316,948 in revenues and \$610,169 in expenditures. This fund's balance increased by \$2,706,779.

Using this Generally Accepted Accounting Principles Report (GAAP)

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

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

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)
(Continued)**

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2010?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, the bond retirement fund and the classroom facilities capital project fund.

Governmental Funds

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

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)
(Continued)**

The School District as a Whole

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

Table 1 provides a summary of the School District's net assets for 2010 compared to 2009:

**Table 1
Net Assets**

	<u>2010</u>	<u>2009</u>
Assets:		
Current and Other Assets	\$13,405,112	\$10,035,878
Capital Assets	10,338,208	10,257,693
Total Assets	<u>23,743,320</u>	<u>20,293,571</u>
Liabilities:		
Long-Term Liabilities	7,964,469	8,307,155
Other Liabilities	4,411,583	4,785,832
Total Liabilities	<u>12,376,052</u>	<u>13,092,987</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	3,203,294	2,849,509
Restricted	3,537,713	630,794
Unrestricted	4,626,261	3,720,281
Total Net Assets	<u>\$11,367,268</u>	<u>\$ 7,200,584</u>

Total assets of governmental activities increased by \$3,449,749, as cash and cash equivalents increased by \$3,727,445, receivables decreased by \$348,528 and capital assets increased by \$80,515. Unrestricted net assets, the part of net assets that can be used to finance day-to-day activities without constraints established by grants or legal requirements, of the School District increased by \$905,980.

Table 2 shows the changes in net assets for fiscal years 2010 and 2009. A comparative analysis of district-wide data is being presented, as follows:

**Table 2
Changes in Net Assets**

	<u>2010</u>	<u>2009</u>
Revenues:		
Program Revenues:		
Charges for Services	\$1,009,158	\$1,083,269
Operating Grants, Interest and Contributions	1,330,737	713,679
Total Program Revenues	<u>2,339,895</u>	<u>1,796,948</u>
General Revenues:		
Property Taxes	4,065,855	4,222,277
Income Tax	1,589,909	1,674,170
Grants and Entitlements	6,174,286	6,397,519
Grants from School Facilities Commission	3,321,127	
Gifts and Donations	718	310,707
Investment Earnings	46,415	82,561
Other	171,096	76,186
Total General Revenues	<u>15,369,406</u>	<u>12,763,420</u>
Total Revenues	<u>17,709,301</u>	<u>14,560,368</u>

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)
(Continued)**

**Table 2
Changes in Net Assets
(Continued)**

	<u>2010</u>	<u>2009</u>
Program Expenses:		
Instruction	7,058,754	6,642,387
Support Services:		
Pupils and Instructional Staff	1,973,848	1,839,854
Board of Education, Administration, Fiscal and Business	1,623,151	1,523,991
Operation and Maintenance of Plant	942,502	1,187,644
Pupil Transportation	864,738	806,849
Operation of Non-Instructional Services	322,410	385,014
Extracurricular Activities	392,308	426,414
Interest and Fiscal Charges	364,906	373,464
Total Expenses	<u>13,542,617</u>	<u>13,185,617</u>
Increase in Net Assets	<u>\$4,166,684</u>	<u>\$1,374,751</u>

Governmental Activities

The unique nature of taxes in Ohio creates the need to routinely seek voter approval for the School District operations. Property taxes and income taxes made up 32 percent of revenues for governmental activities for the Greeneview Local School District for fiscal year 2010.

Instruction comprises 52 percent of district expenses. Support services expenses make up 40 percent of the expenses.

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

**Table 3
Cost of Services**

	Total Cost of Services 2010	Net Cost of Services 2010	Total Cost of Services 2009	Net Cost of Services 2009
Instruction	\$ 7,058,754	\$ 5,749,077	\$ 6,642,387	\$ 5,943,173
Support Services:				
Pupils and Instructional Staff	1,973,848	1,559,185	1,839,854	1,467,887
Board of Education, Administration, Fiscal and Business	1,623,151	1,551,324	1,523,991	1,398,554
Operation and Maintenance of Plant	942,502	942,502	1,187,644	1,123,714
Pupil Transportation	864,738	864,738	806,849	806,849
Operation of Non-Instructional Services	322,410	(4,026)	385,014	22,678
Extracurricular Activities	392,308	175,016	424,414	252,350
Interest and Fiscal Charges	364,906	364,906	373,464	373,464
Total Expenses	<u>\$13,542,617</u>	<u>\$11,202,722</u>	<u>\$13,183,617</u>	<u>\$11,388,669</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil. The increase in these functions from fiscal year 2009 to fiscal year 2010 is due to movement on the salary schedules as well as the effects of GAAP accruals.

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)
(Continued)**

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

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

Operation and maintenance of plant activities involve keeping the school grounds, buildings, and equipment in an effective working condition. The decrease in this function from fiscal year 2009 to fiscal year 2010 is a result of the permanent improvement expenditures made in the prior year such as drain tile replacement, seal-coating of parking lots, and exterior door replacement in addition to a tightening of the supplies budget district wide and less expenditures in purchased services during fiscal year 2010.

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

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

Extracurricular activities includes expense related to student activities provided by the School District which are designed to provide opportunities for pupils to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement. Interest and fiscal charges involves the transactions associated with the payment of interest and other related charges to debt of the School District.

The dependence upon tax revenues is apparent. Over 81 percent of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 83 percent. The community, as a whole, is the primary support for the Greeneview Local School District.

The School District's Funds

These funds are accounted for using the modified accrual basis of accounting. The general fund had total revenues of \$11,950,587 and total expenditures of \$11,075,443. The bond retirement major fund had total revenues of \$683,175 and total expenditures of \$630,809. The classroom facilities major capital projects fund had revenues of \$3,316,948 and total expenditures of \$610,169. The funding for the classroom facilities project is based on the quarterly drawdown schedule determined by the Ohio School Facilities Commission (OSFC). The funds are advanced to the district to meet the needs of the current quarter and part of the following quarter as determined by the Construction Manager and approved by the OSFC. The net change in the fund balance for the general fund was an increase of \$797,566, the net change in fund balance for the bond retirement fund was an increase of \$52,366 and the net change in fund balance for the classroom facilities capital project fund was an increase of \$2,706,779.

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)
(Continued)**

General Fund Budgeting Highlights

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

During the course of the fiscal year 2010, the School District amended its general fund budget two times. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, the final budget basis revenue and other financing sources estimate was \$11,422,662. The original budgeted estimate was \$11,787,004. This change was a result of a decrease in the estimate for intergovernmental revenue.

During fiscal year 2010, the School District budgeted and received \$3,194,138 and \$3,404,113, respectively in property and other taxes while it budgeted and received \$5,878,944 and \$6,083,829, respectively, in intergovernmental revenues.

Capital Assets

At the end of the fiscal year 2010, the School District had \$10,338,208 invested in capital assets.

Table 4 shows fiscal 2010 balances compared to 2009.

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

	<u>2010</u>	<u>2009</u>
Land	\$ 512,556	\$ 512,556
Construction in Progress	536,528	
Land Improvements	563,333	619,354
Buildings and Improvements	8,383,868	8,754,104
Furniture and Equipment	333,610	360,991
Vehicles	8,313	10,688
Totals	<u>\$10,338,208</u>	<u>\$10,257,693</u>

Overall capital assets increased \$80,515 from fiscal year 2009 to fiscal year 2010. Increases in capital assets (primarily construction in progress) actually offset the depreciation expense for the year.

For more information on capital assets, see Note 9 of the Basic Financial Statements.

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)
(Continued)**

Debt Administration

Table 5 shows the School District's outstanding debt at the end of fiscal year 2010 as compared to fiscal year 2009.

**Table 5
Outstanding Debt at June 30,**

	<u>2010</u>	<u>2009</u>
School Improvement Bonds	\$1,860,000	\$2,115,000
General Obligation Refunding Bonds	4,880,000	4,930,000
Capital Appreciation Refunding Bonds	250,000	250,000
Totals	<u>\$6,990,000</u>	<u>\$7,295,000</u>

At June 30, 2010, the School District's overall legal debt limitation was \$9,981,492, and the un-voted debt margin was \$183,340.

For more information on the School District's debt, see Note 14 of the Basic Financial Statements.

Current Financial Issues and Concerns

The current state of the State's economy is of major concern to the School District. With declining or flat revenue sources and continually rising costs, the School District must search for new funding while at the same time find ways to cut expenses without jeopardizing the overall quality of the education program. Unfunded mandates are an on-going concern to the School District as well as the new Ohio Evidence Based Model for funding school districts. Two additional areas of major concern include the Health Care Reform and targeted federal stimulus dollars.

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

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

Contacting the School District's Financial Management

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

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**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**STATEMENT OF NET ASSETS
JUNE 30, 2010**

	Governmental Activities
Assets:	
Cash and Cash Equivalents	\$9,007,297
Inventory of Supplies and Materials	15,467
Accrued Interest Receivable	789
Accounts Receivable	44,123
Intergovernmental Receivable	46,840
Income Tax Receivable	656,049
Property Taxes Receivable	3,559,581
Deferred Charges	74,966
Depreciable Capital Assets, Net	9,289,124
Land	512,556
Construction in Progress	536,528
Total Assets	23,743,320
Liabilities:	
Accounts Payable	23,529
Accrued Wages and Benefits Payable	946,134
Intergovernmental Payable	327,958
Accrued Interest Payable	25,294
Accrued Vacation Leave Payable	12,880
Compensated Absences Payable	41,813
Deferred Revenue	3,033,975
Long Term Liabilities:	
Due Within One Year	445,016
Due In More Than One Year	7,519,453
Total Liabilities	12,376,052
Net Assets:	
Invested in Capital Assets, Net of Related Debt	3,203,294
Restricted for:	
Debt Service	345,623
Capital Projects	2,897,488
Other Purposes	294,602
Unrestricted	4,626,261
Total Net Assets	\$11,367,268

See Accompanying Notes to the Basic Financial Statements.

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants, Interest and Contributions</u>
			<u>Total Governmental Activities</u>
Governmental Activities:			
Instruction:			
Regular	\$5,865,548	\$528,788	\$328,056
Special	1,089,595	74,652	359,517
Vocational	90,246	18,664	
Other	13,365		
			(\$5,008,704)
			(655,426)
			(71,582)
			(13,365)
Support Services:			
Pupils	1,223,419		134,971
Instructional Staff	750,429		279,692
Board of Education	82,774		
Administration	1,175,007	65,542	2,485
Fiscal	365,023		3,800
Business	347		
Operation and Maintenance of Plant	942,502		
Pupil Transportation	864,738		
			(1,088,448)
			(470,737)
			(82,774)
			(1,106,980)
			(361,223)
			(347)
			(942,502)
			(864,738)
Non-Instructional Services	322,410	213,414	113,022
Extracurricular Activities	392,308	108,098	109,194
Interest and Fiscal Charges	364,906		
			4,026
			(175,016)
			(364,906)
Total Governmental Activities	<u>\$13,542,617</u>	<u>\$1,009,158</u>	<u>\$1,330,737</u>
			(11,202,722)
General Revenues:			
Property Taxes Levied for:			
General Purposes			3,478,952
Debt Service			586,903
Income Taxes Levied for General Purposes			1,589,909
Grants and Entitlements not Restricted to Specific Programs			6,174,286
Grants from School Facilities Commission for Capital Construction			3,321,127
Gifts and Donations			718
Investment Earnings			46,415
Miscellaneous			171,096
Total General Revenues			<u>15,369,406</u>
Change in Net Assets			4,166,684
Net Assets Beginning of Year			<u>7,200,584</u>
Net Assets End of Year			<u>\$11,367,268</u>

See Accompanying Notes to the Basic Financial Statements.

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010**

	General	Bond Retirement	Classroom Facilities Project	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and Cash Equivalents	\$5,246,899	\$428,925	\$2,709,509	\$545,726	\$8,931,059
Receivables:					
Property Taxes	3,095,546	464,035			3,559,581
Income Taxes	656,049				656,049
Accrued Interest	789				789
Accounts	38,781			5,342	44,123
Intergovernmental				46,840	46,840
Interfund	4,300				4,300
Inventory of Supplies and Materials				15,467	15,467
Restricted Assets:					
Cash and Cash Equivalents	76,238				76,238
Total Assets	<u>9,118,602</u>	<u>892,960</u>	<u>2,709,509</u>	<u>613,375</u>	<u>13,334,446</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	20,587		2,730	212	23,529
Accrued Wages and Benefits Payable	852,249			93,885	946,134
Interfund Payable				4,300	4,300
Intergovernmental Payable	312,202			15,756	327,958
Deferred Revenue	2,973,230	422,080		82	3,395,392
Compensated Absences Payable	21,004			20,809	41,813
Total Liabilities	<u>4,179,272</u>	<u>422,080</u>	<u>2,730</u>	<u>135,044</u>	<u>4,739,126</u>
Fund Balances:					
Reserved for Encumbrances	78,312		950,823	11,986	1,041,121
Reserved for Property Taxes	268,196	41,955			310,151
Reserved for Budget Stabilization	76,238				76,238
Designated for Budget Stabilization	134,347				134,347
Unreserved, Undesignated, Reported in:					
General Fund	4,382,237				4,382,237
Special Revenue Funds				275,636	275,636
Debt Service Fund		428,925			428,925
Capital Projects Funds			1,755,956	190,709	1,946,665
Total Fund Balances	<u>4,939,330</u>	<u>470,880</u>	<u>2,706,779</u>	<u>478,331</u>	<u>8,595,320</u>
Total Liabilities and Fund Balances	<u>\$9,118,602</u>	<u>\$892,960</u>	<u>\$2,709,509</u>	<u>\$613,375</u>	<u>\$13,334,446</u>

See Accompanying Notes to the Basic Financial Statements.

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2010**

Total Governmental Fund Balance		\$8,595,320
Deferred charges used in governmental activities are not financial resources and therefore are not reported in the funds.		74,966
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets		
Land	\$512,556	
Construction in Progress	536,528	
Land Improvements	1,279,111	
Building and Improvements	13,148,853	
Furniture, Fixtures and Equipment	1,418,410	
Vehicles	1,181,727	
Educational Media	424,852	
Accumulated Depreciation	<u>(8,163,829)</u>	
Total Capital Assets		10,338,208
Other long-term assets are not available to pay for the current period's expenditures and therefore are deferred in the funds.		
Property Taxes Receivable	215,455	
Accounts Receivable	38,031	
Intergovernmental Receivable	82	
Income Taxes Receivable	<u>107,849</u>	
		361,417
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:		
Accrued Interest Payable	(25,294)	
Accrued Vacation Leave Payable	(12,880)	
Compensated Absences	(807,750)	
Unamortized Premium on Bonds	(231,132)	
Unamortized Deferred Loss on Refunding	156,169	
Bonds Payable	<u>(7,081,756)</u>	
Total Liabilities		<u>(8,002,643)</u>
Net Assets of Governmental Activities		<u><u>\$11,367,268</u></u>

See Accompanying Notes to the Basic Financial Statements.

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>General</u>	<u>Bond Retirement</u>	<u>Classroom Facilities Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property and Other Taxes	\$3,463,392	\$592,718			\$4,056,110
Income Tax	1,590,066				1,590,066
Tuition and Fees	616,597				616,597
Interest	42,273		\$3,750	\$392	46,415
Intergovernmental	6,083,829	90,457	3,313,198	1,228,105	10,715,589
Extracurricular Activities				171,829	171,829
Charges for Services				213,414	213,414
Gifts and Donations	718			110,479	111,197
Rent	7,146			1,001	8,147
Miscellaneous	146,566			1,811	148,377
Total Revenues	<u>11,950,587</u>	<u>683,175</u>	<u>3,316,948</u>	<u>1,727,031</u>	<u>17,677,741</u>
Expenditures:					
Current:					
Instruction:					
Regular	4,994,313			366,553	5,360,866
Special	780,908			356,405	1,137,313
Vocational	108,058				108,058
Other	13,365				13,365
Support Services:					
Pupils	1,119,267			145,743	1,265,010
Instructional Staff	460,809			283,854	744,663
Board of Education	81,637				81,637
Administration	1,101,554			58,757	1,160,311
Fiscal	350,546	10,693		3,504	364,743
Operation and Maintenance of Plant	937,547			848	938,395
Pupil Transportation	857,670				857,670
Non-Instructional Services	7,519			302,874	310,393
Extracurricular Activities	262,250			115,473	377,723
Capital Outlay			610,169		610,169
Debt Service:					
Principal Retirement		305,000			305,000
Interest and Fiscal Charges		315,116			315,116
Total Expenditures	<u>11,075,443</u>	<u>630,809</u>	<u>610,169</u>	<u>1,634,011</u>	<u>13,950,432</u>
Excess of Revenues Over Expenditures	<u>875,144</u>	<u>52,366</u>	<u>2,706,779</u>	<u>93,020</u>	<u>3,727,309</u>
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	20				20
Insurance Recoveries	1,917				1,917
Transfers - In				79,515	79,515
Transfers - Out	(79,515)				(79,515)
Total Other Financing Sources (Uses)	<u>(77,578)</u>			<u>79,515</u>	<u>1,937</u>
Net Change in Fund Balances	797,566	52,366	2,706,779	172,535	3,729,246
Fund Balances at Beginning of Year	<u>4,141,764</u>	<u>418,514</u>		<u>305,796</u>	<u>4,866,074</u>
Fund Balances at End of Year	<u>\$4,939,330</u>	<u>\$470,880</u>	<u>\$2,706,779</u>	<u>\$478,331</u>	<u>\$8,595,320</u>

See Accompanying Notes to the Basic Financial Statements.

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Net Change in Fund Balances - Total Governmental Funds \$3,729,246

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Outlay	\$555,344	
Current Year Depreciation	<u>(474,829)</u>	
		80,515

Some revenues that will not be collected for several months after the School District's fiscal year ends are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues increased by this amount this year.

Property Taxes	9,745	
Income Taxes	(157)	
Accounts	5,507	
Intergovernmental	<u>82</u>	
		15,177

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of bond principal payments. 305,000

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due. 1,071

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Accrued Vacation Leave Payable	2,674	
Compensated Absences Payable	69,416	
Amortization of Bond Issuance Costs	(4,685)	
Amortization of Bond Premium	14,446	
Amortization of Deferred Amount on Refunding	(9,760)	
Interest Accreted on Capital Appreciation Bonds	<u>(36,416)</u>	
		<u>35,675</u>

Change in Net Assets of Governmental Activities \$4,166,684

See Accompanying Notes to the Basic Financial Statements.

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)
Revenues:				
Property and Other Taxes	\$3,194,138	\$3,194,138	\$3,404,113	\$209,975
Income Tax	1,724,580	1,724,580	1,618,498	(106,082)
Tuition and Fees	499,000	499,000	605,417	106,417
Interest	85,000	85,000	43,853	(41,147)
Intergovernmental	6,243,286	5,878,944	6,083,829	204,885
Gifts and Donations			718	718
Rent	3,000	3,000	7,146	4,146
Miscellaneous	15,000	15,000	146,566	131,566
Total Revenues	<u>11,764,004</u>	<u>11,399,662</u>	<u>11,910,140</u>	<u>510,478</u>
Expenditures:				
Current:				
Instruction:				
Regular	5,079,203	5,201,542	5,012,703	188,839
Special	942,985	882,790	771,737	111,053
Vocational	94,605	95,425	107,799	(12,374)
Other	27,140	27,140	14,586	12,554
Support Services:				
Pupils	1,256,132	1,257,627	1,144,254	113,373
Instructional Staff	504,250	516,861	454,528	62,333
Board of Education	105,373	105,373	92,148	13,225
Administration	1,224,881	1,128,276	1,098,173	30,103
Fiscal	361,720	364,195	348,983	15,212
Operation and Maintenance of Plant	1,113,109	1,119,669	973,247	146,422
Pupil Transportation	892,437	908,907	893,252	15,655
Non-Instructional Services	10,860	10,860	7,519	3,341
Extracurricular Activities	255,343	256,173	260,987	(4,814)
Capital Outlay	133,001	133,001		133,001
Total Expenditures	<u>12,001,039</u>	<u>12,007,839</u>	<u>11,179,916</u>	<u>827,923</u>
Excess of Revenues Over (Under) Expenditures	(237,035)	(608,177)	730,224	1,338,401
Other Financing Sources (Uses):				
Advances - In	23,000	23,000	16,290	(6,710)
Refund of Prior Year Expenditures			10,430	10,430
Insurance Recoveries			1,917	1,917
Proceeds from Sale of Capital Assets			20	20
Advances - Out	(12,000)	(15,000)	(4,300)	10,700
Transfers - Out		(79,515)	(79,515)	
Total Other Financing Sources (Uses)	<u>11,000</u>	<u>(71,515)</u>	<u>(55,158)</u>	<u>16,357</u>
Net Increase (Decrease) in Fund Balances	(226,035)	(679,692)	675,066	1,354,758
Fund Balances at Beginning of Year	4,388,858	4,388,858	4,388,858	
Prior Year Encumbrances Appropriated	162,014	162,014	162,014	
Fund Balances at End of Year	<u>\$4,324,837</u>	<u>\$3,871,180</u>	<u>\$5,225,938</u>	<u>\$1,354,758</u>

See Accompanying Notes to the Basic Financial Statements.

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010**

	Private Purpose Trust	
	Scholarship	Agency
Assets:		
Cash and Cash Equivalents	\$540,980	\$34,712
	\$540,980	\$34,712
Liabilities:		
Deposits Held and Due to Students		\$34,712
Total Liabilities		\$34,712
Net Assets:		
Held in Trust for Scholarships	\$540,980	

See Accompanying Notes to the Basic Financial Statements.

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Private Purpose Trust
	Scholarship
Additions:	
Interest	\$5,013
Gifts and Donations	11,285
Total Additions	16,298
 Deletions:	
Scholarships Awarded	15,400
 Change in Net Assets	898
 Net Assets Beginning of Year	540,082
 Net Assets End of Year	\$540,980

See Accompanying Notes to the Basic Financial Statements.

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**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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 70 non-certified employees, 88 certified full time teaching personnel, including seven administrators, who provide services to 1,420 students and other community members. The School District currently operates three instructional/support facilities.

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

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

The School District is associated with four jointly governed organizations, one insurance purchasing pool and one public entity shared risk pool. These organizations are discussed in Notes 15 and 16 to the basic financial statements. These organizations are:

Jointly Governed Organizations:

- Miami Valley Educational Computer Association (MVECA)
- Southwestern Ohio Educational Purchasing Cooperative (SWEPC)
- Southwestern Ohio Instructional Technology Association (SOITA)
- Greene County Career Center

Insurance Purchasing Pool:

- Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Program

Public Entity Shared Risk Pool:

- Southwestern Ohio Educational Purchasing Council 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 more significant of the School District's accounting policies are described below.

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation

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

1. Government-wide Financial Statements:

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

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

2. Fund Financial Statements:

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

B. Fund Accounting

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

1. Governmental Funds:

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

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Bond Retirement Fund - The bond retirement fund accounts for accumulation of resources to be used for the payment of short-term and long-term general obligation debt principal and interest.

Classroom Facilities Capital Project Fund – The classroom facilities capital project fund accounts for monies received and expended in connection with contracts entered into by the School District and the Ohio Department of Education for the building and equipping of classroom facilities.

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

2. Fiduciary Fund Types:

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

C. Measurement Focus

1. Government-wide Financial Statements:

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

2. Fund Financial Statements

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

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

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

1. Revenues - Exchange and Non-exchange Transactions:

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

2. Unearned/Deferred Revenue:

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2010, but which were levied to finance fiscal year 2011 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

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

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Expenses/Expenditures:

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

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

E. Budgetary Data

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2010.

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

F. Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled, with the exception of cash and cash equivalents held by fiscal agents. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "cash and cash equivalents." During fiscal year 2010, the School District's investments were limited to a repurchase agreement, certificates of deposit and a money market account.

Non-participating investment contracts such as repurchase agreements are reported at cost.

The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2010 amounted to \$42,273, which includes \$11,893 assigned from other funds. Interest revenue of \$5,013 was posted to private purpose trust funds.

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

G. Interfund Assets/Liabilities

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

H. Inventory

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

I. Restricted Assets

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

J. Capital Assets and Depreciation

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

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

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

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

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Accrued Liabilities and Long-Term Obligations

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

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

L. Compensated Absences

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

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

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

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

M. Interfund Transactions

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

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Balance Reserves and Designation

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

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

O. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At June 30, 2010 none of the \$3,537,713 restricted net assets reported on the Statement of Net Assets were restricted by enabling legislation.

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

P. Estimates

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

Q. Issuance Costs

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

3. FUND DEFICITS

At June 30, 2010, the IDEA-Part B, State Fiscal Stabilization Fund, Title I and Title II-A non-major special revenue funds had deficit fund balances of \$1,610, \$21,934, \$1,077 and \$307, respectively. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

4. BUDGETARY BASIS OF ACCOUNTING

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

Types is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).
4. Advances - in and advances - out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statement. These amounts are included as revenue on the GAAP basis operating statements.

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

Net Change in Fund Balance	
GAAP Basis	\$797,566
Net Adjustment for Revenue Accruals	(30,017)
Net Adjustment for Expenditure Accruals	(7,274)
Advances	11,990
Adjustment for Encumbrances	(97,199)
Budget Basis	<u>\$675,066</u>

5. DEPOSITS AND INVESTMENTS

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

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

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

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

5. DEPOSITS AND INVESTMENTS (Continued)

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

Interim monies held by the School District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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

Cash on Hand: At fiscal year end, the School District had \$100 in un-deposited cash in hand which is included on the balance sheet of the School District as part of "cash and cash equivalents."

A. Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year-end, \$2,345,318 of the School District's bank balance of \$2,652,885 was exposed to custodial credit. All statutory requirements for the deposit of money had been followed.

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

5. DEPOSITS AND INVESTMENTS (Continued)

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

The School District also had \$7,000,000 in non-negotiable certificates of deposit outstanding at June 30, 2010. These certificates of deposit are a part of cash and cash equivalents on the basic financial statements.

B. Investments

At June 30, 2010, the School District did not have any investments outstanding.

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

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

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

6. PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the school district. Real property tax revenue received in calendar 2010 represents collections of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed value listed as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

6. PROPERTY TAXES (Continued)

Public utility property tax revenue received in calendar 2010 represents collections of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien December 31, 2008, were levied after April 1, 2009 and are collected in 2010 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Greene, Fayette and Clinton Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2010, are available to finance fiscal year 2010 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2010 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2010, was \$268,196 in the general fund and \$41,955 in the bond retirement fund.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which the fiscal year 2010 taxes were collected are:

	2009 Second- Half Collections		2010 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential And Other Real Estate	\$177,963,480	96%	\$177,792,590	97%
Tangible Personal Property	7,176,216	4	6,183,450	3
Total Assessed Value	\$185,139,696	100%	\$183,976,040	100%
Tax rate per \$1,000 of assessed valuation	\$34.55		\$33.55	

7. INCOME TAX

The School District levies a voted tax of one-half of one percent for general operations on the income of residents and of estates. The tax was effective on January 1, 1991, and is a continuing tax. Effective January 1, 2002, the residents voted an additional one-half of one percent income tax for a five-year period. In May of 2007, the voters of the School District renewed this income tax levy for an additional five-year period. This was effective January 2007 and will be in effect through December 2011. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund. Income tax revenue credited to the general fund for fiscal year 2010 was \$1,590,066.

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

8. RECEIVABLES

Receivables at June 30, 2010, consisted of property and income taxes, accounts (rent, billings for user charged services, and student fees), intergovernmental grants and interfund.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amounts
Non-major Funds:	
Food Service	\$17,084
IDEA, Part B	15,986
Title I	10,704
Title II A	2,984
Title II D	82
Total Intergovernmental Receivables	\$46,840

9. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	6/30/2009	Additions	Deletions	6/30/2010
Capital Assets, not Being Depreciated:				
Land	\$ 512,556			\$ 512,556
Construction in Progress		\$536,528		536,528
Total Capital Assets, Not Being Depreciated	512,556	536,528		1,049,084
Capital Assets, Being Depreciated:				
Land Improvements	1,279,111			1,279,111
Buildings and Improvements	13,148,853			13,148,853
Furniture, Fixtures and Equipment	1,440,426	18,816	(\$40,832)	1,418,410
Vehicles	1,181,727			1,181,727
Educational Media	424,852			424,852
Total Capital Assets, Being Depreciated	17,474,969	18,816	(40,832)	17,452,953
Less Accumulated Depreciation:				
Land Improvements	(659,757)	(56,021)		(715,778)
Buildings and Improvements	(4,394,749)	(370,236)		(4,764,985)
Furniture, Fixtures and Equipment	(1,079,435)	(46,197)	40,832	(1,084,800)
Vehicles	(1,171,039)	(2,375)		(1,173,414)
Educational Media	(424,852)			(424,852)
Total Accumulated Depreciation	(7,729,832)	(474,829)	40,832	(8,163,829)
Capital Assets, Being Depreciated, Net	9,745,137	(456,013)		9,289,124
Governmental Activities Capital Assets, Net	\$10,257,693	\$ 80,515	\$ 0	\$10,338,208

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

9. CAPITAL ASSETS (Continued)

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$427,787
Special	304
Vocational	1,527
Support Services:	
Instructional Staff	1,088
Board of Education	1,137
Administration	9,262
Fiscal	1,175
Business	347
Operation and Maintenance of Plant	2,377
Transportation	5,517
Non-Instructional Services	11,289
Extracurricular Activities	13,019
Total Depreciation Expense	<u>\$474,829</u>

10 RISK MANAGEMENT

Property and Liability

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2010, the School District contracted with Selective Insurance Company for general liability insurance with a \$1,000,000 single occurrence limit and a \$3,000,000 aggregate. Property is also protected by the Selective Insurance Company and holds a \$1,000 deductible.

The School District's vehicles are covered under a business policy with Selective 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 2010, the School District participated in the Southwest Ohio Educational Purchasing Cooperative's Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 16). 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 ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Integrated Comp Incorporated provides administrative, cost control and actuarial services to the GRP.

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

11. DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

Plan Description - The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer pension plan. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under Employer/Audit Resources.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits and death benefits; for the fiscal year ending June 30, 2010, 12.78 percent of annual covered payroll was the portion used to fund pension and death benefit obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension and death benefits obligations to SERS for the fiscal years ended June 30, 2010, 2009, and 2008 were \$247,516, \$162,361 and \$128,778 respectively; 49.37 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. \$125,306 represents the unpaid contribution for fiscal year 2010.

B. State Teachers Retirement System

Plan Description - The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

**GREENVIEW LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

11. DEFINED BENEFIT PENSION PLANS (Continued)

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

Funding Policy - For the fiscal year ended June 30, 2010, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2009, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio DB Plan for the fiscal years ended June 30, 2010, 2009, and 2008 were \$662,765, \$660,333, and \$656,703 respectively; 83.63 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

12. POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description – The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2010, .46 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2010, this amount was \$35,800.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2010, 2009 and 2008, were \$33,687, \$91,902 and \$89,215, respectively; 49.37 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

**GREENVIEW LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

12. POSTEMPLOYMENT BENEFITS (Continued)

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2010, this actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009 and 2008 were \$14,719, \$10,890 and \$10,800, respectively; 49.37 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

B. State Teachers Retirement System

Plan Description – The School District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2010, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2010, 2009 and 2008, were \$50,982, \$50,795, and \$50,516, respectively; 83.63 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

13. OTHER EMPLOYEE BENEFITS

A. Compensated Absences

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

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 263 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 65.75 days.

B. Health Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees through the Fort Dearborn Company. The School District has elected to provide employee medical/surgical benefits through United Health Care of Ohio. The employees share the cost of the monthly premium with the Board. The premium varies with employee depending on the terms of the union contract. Dental insurance is provided by the School District to most employees through the Southwestern Ohio Educational Purchasing Cooperative's Employee Benefit Plan Trust. See Note 15.

**GREENVIEW LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

14. LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2010 were as follows:

	<u>Balance 6/30/2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 6/30/2010</u>	<u>Due within One Year</u>
Governmental Activities:					
General Obligation Bonds:					
1999 School Improvement 3.4-5.75%	\$2,115,000		(\$255,000)	\$1,860,000	\$270,000
2007 Refunding Bonds:					
Serial Bonds 3.7-4.25%	4,930,000		(50,000)	4,880,000	50,000
Capital Appreciation 4.35-4.38%	250,000			250,000	
	<u>7,295,000</u>		<u>(305,000)</u>	<u>6,990,000</u>	<u>320,000</u>
Accretion on Capital Appreciation Bonds	55,340	\$36,416		91,756	
Deferred Amounts:					
Add: Bond Premium	245,578		(14,446)	231,132	
Less: Deferred Refunding Amount	(165,929)		9,760	(156,169)	
Total General Obligation Bonds	<u>7,429,989</u>	<u>36,416</u>	<u>(309,686)</u>	<u>7,156,719</u>	<u>320,000</u>
Compensated Absences	877,166		(69,416)	807,750	125,016
Total Long-Term Obligations	<u>\$8,307,155</u>	<u>\$36,416</u>	<u>(\$379,102)</u>	<u>\$7,964,469</u>	<u>\$445,016</u>

2007 Refunding General Obligation Bonds and Capital Appreciation Bonds - On August 22, 2007, the School District issued \$5,295,000 in school improvement refunding general obligation bonds and capital appreciation bonds, with semi-annual payments due on June 1 and December 1 of each year, and interest payable that began December 1, 2007. The \$5,045,000 in serial term bonds will mature on December 1, 2026. The capital appreciation bonds were issued at \$250,000 and have maturities of \$470,000 on December 1, 2018 and \$470,000 on December 1, 2019. For fiscal year 2010, the capital appreciation bonds were accreted \$36,416.

At June 30, 2010, \$5,000,000 of the 1999 school improvement bonds considered defeased, remain un-matured and unpaid.

Principal and interest requirements to retire all the debt outstanding at June 30, 2010, are as follows:

1999 GO Bonds			
<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 270,000	\$ 98,310	\$ 368,310
2012	285,000	82,631	367,631
2013	300,000	66,105	366,105
2014	315,000	48,653	363,653
2015	335,000	30,044	365,044
2016	355,000	10,206	365,206
Total	<u>\$1,860,000</u>	<u>\$335,949</u>	<u>\$2,195,949</u>

**GREENEVUE LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

14. LONG-TERM OBLIGATIONS (Continued)

2007 Serial Bonds			
Fiscal Year Ending June 30,	Principal	Interest	Total
2011	\$ 50,000	\$ 201,644	\$ 251,644
2012	50,000	199,644	249,644
2013	50,000	197,644	247,644
2014	50,000	195,644	245,644
2015	50,000	193,644	243,644
2016-2020	925,000	849,720	1,774,720
2021-2025	2,530,000	524,645	3,054,645
2026-2027	1,175,000	50,469	1,225,469
Total	\$4,880,000	\$2,413,054	\$7,293,054

2007 Capital Appreciation Bonds			
Fiscal Year Ending June 30,	Principal	Interest	Total
2011		\$ 40,758	\$ 40,758
2012		45,618	45,618
2013		51,056	51,056
2014		57,147	57,147
2015		63,972	63,972
2016-2020	\$250,000	339,693	589,693
Total	\$250,000	\$598,244	\$848,244

All general obligation debt is supported by the full faith and credit of the School District. The School Improvement Bonds will be paid from the bond retirement fund. Compensated absences will be paid from the fund from which the employees' salaries are paid.

At June 30, 2010, the School District's overall legal debt limitation was \$9,981,492 and the unvoted debt margin was \$183,340.

15. JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Educational Computer Association (MVECA) - The School District is a participant in MVECA, which is a computer consortium. MVECA is an association of public school districts within the geographic area determined by the Ohio Department of Education. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of MVECA consists of two representatives from each of the participating members. The School District paid MVECA \$44,127 for services provided during the year. Financial information can be obtained from MVECA located at 330 Enon Road, Yellow Springs, Ohio 45387.

Southwestern Ohio Educational Purchasing Council - The Southwestern Ohio Educational Purchasing Council (SWEPC) is a purchasing cooperative made up of over 126 public school districts in 18 counties. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SWEPC. Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SWEPC is held in trust for the member districts. Any district withdrawing from the SWEPC shall forfeit its claim to any and all SWEPC assets. One year prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations.

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

15. JOINTLY GOVERNED ORGANIZATIONS (Continued)

Payments to SWEPC are made from the general fund. During fiscal year 2010, the School District paid \$1,470,690 (which includes insurance premiums) to SWEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, who serves as Director, at 303 Corporate Center Dr., Vandalia, OH 45377.

Southwestern Ohio Instructional Technology Association – The Southwestern Ohio Instructional Technology Association (SOITA) is a not-for-profit corporation. The purpose of the corporation is to serve the educational needs of the area through television programming for the advancement of educational programs. The Board of Trustees is comprised of twenty-one representatives of SOITA member's schools or institutions. Nineteen representatives are elected from within the counties by the qualified members within the counties, i.e., Auglaize, Butler, Champaign, Clark, Clinton, Darke, Fayette, Greene, Hamilton, Logan, Mercer, Miami, Montgomery, Preble, Shelby, and Warren. Montgomery, Greene, and Butler Counties elect two representatives per area. All others elect one representative per area. One at-large non-public representative is elected by the non-public school SOITA members in the State-assigned SOITA service area. One at-large higher education representative is elected by higher education SOITA members from within the State-assigned SOITA service area.

All member districts are obligated to pay all fees, charges, or other assessments as established by the SOITA. Upon dissolution, the net assets shall be distributed to the federal government, or to a state or local government, for a public purpose. Payments to SOITA are made from the general fund. During fiscal year 2010, the School District paid \$3,277 to SOITA. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Larry Pouge, who serves as Director, at 150 East Sixth Street, Franklin, Ohio 45005.

Greene County Career Center - The Greene County Career Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the seven participating school districts' elected Boards, which possesses its own budgeting and taxing authority. To obtain financial information, write to the Greene County Career Center, Judith Geers who serves as Treasurer, at 2960 W. Enon Rd., Xenia, OH 45385. The Greeneview Local School District did not pay anything to the Greene County Career Center during the 2010 fiscal year.

16. INSURANCE PURCHASING POOL/PUBLIC ENTITY SHARED RISK POOL

A. Insurance Purchasing Pool

Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Program - The School District participates in the Southwestern Ohio Educational Purchasing Council's Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by an 11 member Board of directors. The Executive Director of the GRP, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

16. INSURANCE PURCHASING POOL/PUBLIC ENTITY SHARED RISK POOL (Continued)

B. Public Entity Shared Risk Pool

Southwestern Ohio Educational Purchasing Council's Benefit Plan Trust – The Southwestern Ohio Educational Purchasing Council Benefit Plan Trust (Trust) is a public entity shared risk pool consisting of 55 school districts. The Trust is organized as a Voluntary Employee Benefit Association under Section 501(c)(9) of the Internal Revenue Code and provides medical, dental and vision insurance benefits to the employees of the participants. The Trust is governed by the Southwestern Ohio Educational Purchasing Cooperative and its participating members. Each participant decides which plans offered by the Trust will be extended to its employees. Participation in the Trust is by written application subject to acceptance by the Trust and payment of the monthly premiums. Financial information may be obtained from the Southwestern Ohio Educational Purchasing Council, 303 Corporate Center Drive, Suite 208, Vandalia, Ohio 45377.

17. SET-ASIDE CALCULATIONS

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

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

	Budget Stabilization	Textbooks/ Instructional Materials	Capital Improvements
	<hr/>	<hr/>	<hr/>
Set-aside Reserve Balance as of June 30, 2009	\$76,238		
Current Year Set-aside Requirement		\$ 218,112	\$218,112
Carryover from Prior Year		(2,327,458)	
Qualifying Disbursements		(262,044)	(220,960)
Current Year Offsets			
Set-aside Reserve Balance as of June 30, 2010	<hr/> <u>\$76,238</u>	<hr/> <u>(\$2,371,390)</u>	<hr/> <u>(\$ 2,848)</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<hr/> <u>\$76,238</u>	<hr/> <u>(\$2,371,390)</u>	<hr/> <u>\$ 0</u>

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

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

18. INTERFUND ASSETS/LIABILITIES

The general fund had an interfund receivable at June 30, 2010 of \$4,300 while the athletic special revenue fund had an interfund payable of \$4,300.

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

Transfer To	Transfer From
OSFC Maintenance Fund	General
	\$79,515

The interfund loan to the OSFC maintenance fund is a requirement of the School District's OSFC Project Agreement. Currently, the ½ mill maintenance requirement has been earmarked to be funded from the School District's ½ percent continuing income tax.

19. CONTINGENCIES

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2010.

20. SUBSEQUENT EVENTS

The OSFC Project that the School District entered into in July, 2009 will continue to have a significant effect on the financial statements for several years to come. The scope of the project is to build one new elementary/middle school to house grades 5 through 8; renovations to Greeneview High School to house grades 9 through 12; and an allowance to abate and demolish Greeneview Primary Elementary School. The total budget for Segment One is approximately \$28 million. The state share is approximately \$17.5 million or 62% with about \$10.5 million or 38% as the local share. The district is receiving credit amounting the \$10.5 million as a result of the ELPP (Expedited Local Partnership Program) and completion of the High School project.

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2010**

FEDERAL GRANTOR	Federal		Non-Cash		Non-Cash	
<i>Pass Through Grantor</i>	CFDA	Receipts	Receipts	Disbursements	Disbursements	Disbursements
Program Title	Number	Receipts	Receipts	Disbursements	Disbursements	Disbursements
U.S. Department of Agriculture						
<i>Passed Through Ohio Department of Education</i>						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution)						
National School Lunch Program	10.555		\$7,452			\$7,452
Cash Assistance						
National School Lunch Program	10.555	\$117,007		\$117,007		
Total Child Nutrition Cluster		<u>117,007</u>	<u>7,452</u>	<u>117,007</u>		<u>7,452</u>
Total U.S. Department of Agriculture		117,007	7,452	117,007		7,452
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education</i>						
Title I Cluster:						
Title I Grants to Local Educational Agencies	84.010	152,934		153,955		
ARRA - Title I Grants to Local Educational Agencies	84.389	4,243		3,237		
Total Title I Cluster		<u>157,177</u>		<u>157,192</u>		
Special Education Cluster:						
Special Education Grants to States	84.027	279,744		280,023		
ARRA - Special Education Grants to States	84.391	188,286		180,822		
<i>Passed Through Greene County Educational Service Center</i>						
Special Education Preschool Grants	84.173	13,632		14,090		
ARRA - Special Education Preschool Grants	84.392	10,955		10,955		
Total Special Education Cluster		<u>492,617</u>		<u>485,890</u>		
<i>Passed Through Ohio Department of Education</i>						
Safe and Drug-Free Schools and Communities State Grants	84.186	3,730		3,730		
Education Technology State Grants	84.318	1,000		1,082		
Improving Teacher Quality State Grants	84.367	62,198		68,929		
<i>Passed Through Greene County Educational Service Center</i>						
School Improvement Grants	84.377	531		531		
<i>Passed Through Ohio Department of Education</i>						
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants	84.394	364,787		343,657		
Total U.S. Department of Education		<u>1,082,040</u>		<u>1,061,011</u>		
Total		<u>\$1,199,047</u>	<u>\$7,452</u>	<u>\$1,178,018</u>		<u>\$7,452</u>

The accompanying notes are an integral part of this schedule.

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2010**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the Greeneview Local School District's (the District's) federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

NOTE C – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the entitlement value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greeneview Local School District, Greene County, (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 10, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*

We did note certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated January 10, 2011.

We intend this report solely for the information and use of management, the Board of Education, and federal awarding agencies and pass-through entities, and others within the District. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

January 10, 2011



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY 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 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 apply to each of the District's major federal programs for the year ended June 30, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; 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 reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe 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 Greeneview Local School District complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the 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 directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

**Internal Control Over Compliance
(Continued)**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We noted matters involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the District's management in a separate letter dated January 10, 2011.

We intend this report solely for the information and use of management, the Board of Education, others within the District, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Dave Yost
Auditor of State

January 10, 2011

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2010**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster (CFDA # 84.027, 84.173, 84.391 and 84.392) ARRA – State Fiscal Stabilization Fund (SFSF) (CFDA # 84.394)
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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Dave Yost • Auditor of State

GREENEVUE 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 15, 2011**