



Dave Yost • Auditor of State

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

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, Ohio (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

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, Ohio, as of June 30, 2013, and the respective changes in financial position thereof and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the fiscal year ended June 30, 2013, the District adopted the provisions of Governmental Accounting Standard No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*. Additionally, the 2013 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, 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 applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The Federal Award Receipts and Expenditures Schedule presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule 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 schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2014, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Columbus, Ohio

January 13, 2014

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**GREENEVUE LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(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, 2013. 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 2013 are as follows:

- In total, the net position of governmental activities increased \$430,925, which represents a 1.5 percent increase from 2012 restated balances and is largely the result of the building additions.
- General revenues accounted for \$12,174,910 in revenue or 85 percent of all revenues. Program specific revenues in the form of charges for services, operating grants, interest and contributions accounted for \$2,157,476 or 15 percent of total revenues of \$14,332,386.
- Total assets of governmental activities decreased by \$590,098 as cash and cash equivalents decreased by \$2,685,839, receivables decreased by \$263,990, and capital assets increased by \$2,399,077.
- The School District had \$13,901,461 in expenses; only \$2,157,476 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and entitlements) were \$12,174,910.
- Among major funds, the general fund had \$12,540,787 in revenues and \$12,143,938 in expenditures. The general fund's balance increased \$252,644 from 2012. The Classroom Facilities Capital Project Fund had \$111,135 in revenues and \$2,052,509 in expenditures. This fund's balance decreased by \$1,941,374.

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 Position 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, 2013
(UNAUDITED)
(Continued)**

Reporting the School District as a Whole

Statement of Net Position 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 2013?" The Statement of Net Position 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 position and changes in that position. This change in net position 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 Position 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 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 Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**GREENEVUE LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)
(Continued)**

The School District as a Whole

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

Table 1 provides a summary of the School District's net position for 2013 compared to 2012 as restated:

**Table 1
Net Position**

	2013	2012 (Restated)
Assets:		
Current and Other Assets	\$13,476,525	\$16,465,700
Capital Assets	27,468,751	25,069,674
Total Assets	<u>40,945,276</u>	<u>41,535,374</u>
Deferred Outflows of Resources:		
Deferred Charges on Refunding	60,911	65,596
Liabilities:		
Long-Term Liabilities	6,963,966	7,255,283
Other Liabilities	1,579,401	2,351,012
Total Liabilities	<u>8,543,367</u>	<u>9,606,295</u>
Deferred Inflows of Resources:		
Property Taxes Not Levied to Finance Current Year Operations	3,667,163	3,629,943
Net Position:		
Net Investment in Capital Assets	21,215,463	18,512,756
Restricted	907,899	3,371,033
Unrestricted	6,672,295	6,480,943
Total Net Position	<u>\$28,795,657</u>	<u>\$28,364,732</u>

Total assets of governmental activities decreased by \$590,098, as cash and cash equivalents decreased by \$2,685,839, receivables decreased by \$263,990 and capital assets increased by \$2,399,077. Unrestricted net position, the part of net position that can be used to finance day-to-day activities without constraints established by grants or legal requirements, of the School District increased by \$191,352.

Table 2 shows the changes in net position for fiscal years 2013 and 2012. A comparative analysis of district-wide data is being presented, as follows:

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)
(Continued)**

**Table 2
Changes in Net Position**

	2013	2012
Revenues:		
Program Revenues:		
Charges for Services	\$1,409,212	\$1,347,809
Operating Grants, Interest and Contributions	748,264	910,065
Total Program Revenues	<u>2,157,476</u>	<u>2,257,874</u>
General Revenues:		
Property Taxes	4,263,368	4,286,895
Income Tax	1,743,371	1,677,245
Grants and Entitlements	6,018,725	5,889,578
Grants from School Facilities Commission	42,168	150,000
Gifts and Donations	12,103	7,160
Investment Earnings	27,131	47,726
Miscellaneous	68,044	69,810
Total General Revenues	<u>12,174,910</u>	<u>12,128,414</u>
Total Revenues	<u>14,332,386</u>	<u>14,386,288</u>
Program Expenses:		
Instruction	7,442,030	8,210,682
Support Services:		
Pupils and Instructional Staff	1,107,231	1,438,432
Board of Education, Administration, Fiscal and Business	1,845,658	1,784,342
Operation and Maintenance of Plant	1,350,676	991,397
Pupil Transportation	1,008,234	907,726
Central	1,745	
Operation of Non-Instructional Services	491,447	445,826
Extracurricular Activities	326,743	455,014
Interest and Fiscal Charges	327,697	340,854
Total Expenses	<u>13,901,461</u>	<u>14,574,273</u>
Increase (Decrease) in Net Position	<u>\$ 430,925</u>	<u>(\$ 187,985)</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 42 percent of revenues for governmental activities for the Greeneview Local School District for fiscal year 2013.

Instruction comprises 54 percent of district expenses. Support services expenses make up 38 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:

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)
(Continued)**

**Table 3
Cost of Services**

	Total Cost of Services 2013	Net Cost of Services 2013	Total Cost of Services 2012	Net Cost of Services 2012
Instruction	\$ 7,442,030	\$ 5,964,444	\$ 8,210,682	\$ 6,967,632
Support Services:				
Pupils and Instructional Staff	1,107,231	1,106,107	1,438,432	1,272,441
Board of Education, Administration, Fiscal and Business	1,845,658	1,755,175	1,784,342	1,676,189
Operation and Maintenance of Plant	1,350,676	1,350,676	991,397	991,397
Pupil Transportation	1,008,234	1,008,234	907,726	907,726
Central	1,745	1,745		
Operation of Non-Instructional Services	491,447	108,767	445,826	42,461
Extracurricular Activities	326,743	121,140	455,014	117,699
Interest and Fiscal Charges	327,697	327,697	340,854	340,854
Total Expenses	\$13,901,461	\$11,743,985	\$14,574,273	\$12,316,399

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

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.

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 80 percent of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is over 84 percent. The community, as a whole, is the primary support for the Greeneview Local School District.

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)
(Continued)**

The School District's Funds

These funds are accounted for using the modified accrual basis of accounting. The general fund had total revenues of \$12,540,787 and total expenditures of \$12,143,938. The bond retirement major fund had total revenues of \$625,305 and total expenditures of \$618,579. The classroom facilities project major fund had revenues of \$111,135 and total expenditures of \$2,052,509. 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 \$252,644, the net change in fund balance for the bond retirement fund was an increase of \$6,726 and the net change in fund balance for the classroom facilities project fund was a decrease of \$1,941,374.

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 2013, the School District amended its general fund budget four 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 \$12,368,665. The original budgeted estimate was \$12,065,300. This change was a result of an increase in the estimate for tuition and fees, miscellaneous revenue, advances in, and refund of prior year expenditures.

During fiscal year 2013, the School District budgeted and received \$3,642,600 and \$3,791,655, respectively in property and other taxes while it budgeted and received \$5,888,700 and \$5,933,450, respectively, in intergovernmental revenues.

Capital Assets

At the end of the fiscal year 2013, the School District had \$27,468,751 invested in capital assets.

Table 4 shows fiscal 2013 balances compared to 2012 as restated:

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

	2013	2012 (restated)
Land	\$ 544,748	\$ 544,748
Construction in Progress		14,392,344
Land Improvements	1,483,666	1,109,212
Buildings and Improvements	23,627,116	7,112,753
Furniture, Fixtures and Equipment	1,111,513	1,291,164
Vehicles	305,113	157,833
Educational Media	396,595	461,620
Totals	<u>\$27,468,751</u>	<u>\$25,069,674</u>

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)
(Continued)**

Overall capital assets increased \$2,399,077 from fiscal year 2012 to fiscal year 2013. Increases in capital assets outweigh the depreciation expense for the year.

For more information on capital assets, see Note 10 of the Basic Financial Statements.

Debt Administration

Table 5 shows the School District's outstanding debt at the end of fiscal year 2013 as compared to fiscal year 2012.

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

	2013	2012
School Improvement Bonds	\$1,005,000	\$1,305,000
General Obligation Refunding Bonds	4,730,000	4,780,000
Capital Appreciation Refunding Bonds	250,000	250,000
Totals	<u>\$5,985,000</u>	<u>\$6,335,000</u>

At June 30, 2013, the School District's overall legal debt limitation was \$12,812,376 and the un-voted debt margin was \$203,466.

For more information on the School District's debt, see Note 15 of the Basic Financial Statements.

Current Financial Issues and Concerns

The current state of the overall 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 uncertainties for a state funding model for school districts. Other areas of major concern include the Health Care Reform and the loss of targeted federal stimulus dollars and the looming fiscal cliff jeopardizing our economy.

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 POSITION
JUNE 30, 2013**

	Governmental Activities
Assets:	
Cash and Cash Equivalents	\$8,313,571
Cash and Cash Equivalents with Escrow Agents	159,504
Inventory of Supplies and Materials	5,176
Accrued Interest Receivable	484
Accounts Receivable	63,535
Interfund Receivable	2,632
Intergovernmental Receivable	17,402
Income Tax Receivable	757,865
Property Taxes Receivable	4,156,356
Non-depreciable Capital Assets	544,748
Depreciable Capital Assets, Net	26,924,003
Total Assets	40,945,276
 Deferred Outflows of Resources:	
Deferred Charges on Refunding	60,911
 Liabilities:	
Accounts Payable	44,031
Accrued Wages and Benefits Payable	953,860
Intergovernmental Payable	327,400
Accrued Interest Payable	20,842
Accrued Vacation Leave Payable	27,209
Matured Compensated Absences Payable	46,555
Retainage Payable	159,504
Long Term Liabilities:	
Due Within One Year	438,301
Due In More Than One Year	6,525,665
Total Liabilities	8,543,367
 Deferred Inflows of Resources:	
Property Taxes	3,667,163
 Net Position:	
Net Investment in Capital Assets	21,215,463
Restricted for:	
Debt Service	354,717
Capital Projects	143,613
Other Purposes	409,569
Unrestricted	6,672,295
Total Net Position	\$28,795,657

See Accompanying Notes to the Basic Financial Statements.

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</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	\$5,569,157	\$811,490	\$73,030	(\$4,684,637)
Special	1,859,967	224,375	366,809	(1,268,783)
Other	12,906	1,882		(11,024)
Support Services:				
Pupils	717,477			(717,477)
Instructional Staff	389,754		1,124	(388,630)
Board of Education	78,452			(78,452)
Administration	1,405,008		90,483	(1,314,525)
Fiscal	362,198			(362,198)
Operation and Maintenance of Plant	1,350,676			(1,350,676)
Pupil Transportation	1,008,234			(1,008,234)
Central	1,745			(1,745)
Non-Instructional Services	491,447	189,365	193,315	(108,767)
Extracurricular Activities	326,743	182,100	23,503	(121,140)
Interest and Fiscal Charges	327,697			(327,697)
Total Governmental Activities	<u>\$13,901,461</u>	<u>\$1,409,212</u>	<u>\$748,264</u>	<u>(11,743,985)</u>

General Revenues:

Property Taxes Levied for:

General Purposes	3,641,880
Debt Service	541,973
Capital Maintenance	79,515
Income Taxes Levied for General Purposes	1,743,371
Grants and Entitlements not Restricted to Specific Programs	6,018,725
Grants Restricted to Permanent Improvement Programs	42,168
Gifts and Donations	12,103
Investment Earnings	27,131
Miscellaneous	68,044
Total General Revenues	<u>12,174,910</u>
 Change in Net Position	 430,925
 Net Position Beginning of Year (Restated - See Note 3)	 <u>28,364,732</u>
 Net Position End of Year	 <u><u>\$28,795,657</u></u>

See Accompanying Notes to the Basic Financial Statements.

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

	General	Bond Retirement	Classroom Facilities Project	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and Cash Equivalents	\$7,278,665	\$440,633	\$69,025	\$449,010	\$8,237,333
Cash and Cash Equivalents with Escrow Agents			159,504		159,504
Receivables:					
Property Taxes	3,612,460	543,896			4,156,356
Income Taxes	757,865				757,865
Accrued Interest	484				484
Accounts	63,069			466	63,535
Intergovernmental				17,402	17,402
Interfund	3,330				3,330
Inventory of Supplies and Materials				5,176	5,176
Restricted Assets:					
Cash and Cash Equivalents	76,238				76,238
Total Assets	11,792,111	984,529	228,529	472,054	13,477,223
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	34,888		4,658	4,485	44,031
Accrued Wages and Benefits Payable	887,146			66,714	953,860
Interfund Payable				698	698
Intergovernmental Payable	308,968			18,432	327,400
Retainage Payable			159,504		159,504
Compensated Absences Payable	46,555				46,555
Total Liabilities	1,277,557		164,162	90,329	1,532,048
Deferred Inflows of Resources:					
Property Taxes	3,312,911	499,121			3,812,032
Unavailable Revenue	139,028				139,028
Total Deferred Inflows of Resources	3,451,939	499,121			3,951,060
Fund Balances:					
Non-spendable				5,176	5,176
Restricted		485,408	64,367	419,172	968,947
Assigned	733,356				733,356
Unassigned (Deficit)	6,329,259			(42,623)	6,286,636
Total Fund Balances (Deficit)	7,062,615	485,408	64,367	381,725	7,994,115
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$11,792,111	\$984,529	\$228,529	\$472,054	\$13,477,223

See Accompanying Notes to the Basic Financial Statements.

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2013**

Total Governmental Fund Balances		\$7,994,115
Deferred charges on refunding used in governmental activities are not financial resources and therefore are not reported in the funds.		
		60,911
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land	\$544,748	
Land Improvements	2,353,632	
Building and Improvements	30,359,910	
Furniture, Fixtures and Equipment	2,760,473	
Vehicles	1,620,962	
Educational Media	860,264	
Accumulated Depreciation	<u>(11,031,238)</u>	
Total Capital Assets		27,468,751
Other long-term assets are not available to pay for the current period's expenditures and therefore are reported as unavailable revenue in the funds.		
Property Taxes Receivable	144,869	
Accounts Receivable	33,641	
Income Taxes Receivable	<u>105,387</u>	
		283,897
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	(20,842)	
Accrued Vacation Leave Payable	(27,209)	
Compensated Absences	(688,873)	
Unamortized Premium on Bonds	(187,794)	
Unamortized Deferred Loss on Refunding	126,889	
Bonds Payable	<u>(6,214,188)</u>	
Total Liabilities		<u>(7,012,017)</u>
Net Position of Governmental Activities		<u><u>\$28,795,657</u></u>

See Accompanying Notes to the Basic Financial Statements.

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<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	\$3,677,446	\$547,958		\$79,515	\$4,304,919
Income Tax	1,741,863				1,741,863
Tuition and Fees	1,044,668				1,044,668
Interest	24,236		\$2,046	849	27,131
Intergovernmental	5,933,450	77,347	108,989	807,689	6,927,475
Extracurricular Activities	58,298			123,521	181,819
Charges for Services				189,365	189,365
Gifts and Donations	12,103			23,503	35,606
Rent	6,402				6,402
Miscellaneous	42,321		100		42,421
Total Revenues	<u>12,540,787</u>	<u>625,305</u>	<u>111,135</u>	<u>1,224,442</u>	<u>14,501,669</u>
Expenditures:					
Current:					
Instruction:					
Regular	5,388,250			105,220	5,493,470
Special	1,482,523			365,830	1,848,353
Other	12,537				12,537
Support Services:					
Pupils	715,503				715,503
Instructional Staff	273,561				273,561
Board of Education	78,452				78,452
Administration	1,328,727			90,000	1,418,727
Fiscal	342,848	4,830			347,678
Operation and Maintenance of Plant	1,074,953			88,785	1,163,738
Pupil Transportation	1,158,221				1,158,221
Central	1,745				1,745
Non-Instructional Services	5,698			468,354	474,052
Extracurricular Activities	280,920			475,337	756,257
Capital Outlay			2,052,509	160,779	2,213,288
Debt Service:					
Principal Retirement		350,000			350,000
Interest and Fiscal Charges		263,749			263,749
Total Expenditures	<u>12,143,938</u>	<u>618,579</u>	<u>2,052,509</u>	<u>1,754,305</u>	<u>16,569,331</u>
Excess of Revenues Over (Under) Expenditures	<u>396,849</u>	<u>6,726</u>	<u>(1,941,374)</u>	<u>(529,863)</u>	<u>(2,067,662)</u>
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	2,736			281	3,017
Insurance Recoveries	2,039				2,039
Transfers - In				148,980	148,980
Transfers - Out	(148,980)				(148,980)
Total Other Financing Sources (Uses)	<u>(144,205)</u>			<u>149,261</u>	<u>5,056</u>
Net Change in Fund Balances	252,644	6,726	(1,941,374)	(380,602)	(2,062,606)
Fund Balances at Beginning of Year	<u>6,809,971</u>	<u>478,682</u>	<u>2,005,741</u>	<u>762,327</u>	<u>10,056,721</u>
Fund Balances (Deficit) at End of Year	<u>\$7,062,615</u>	<u>\$485,408</u>	<u>\$64,367</u>	<u>\$381,725</u>	<u>\$7,994,115</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, 2013**

Net Change in Fund Balances - Total Governmental Funds (\$2,062,606)

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	\$3,494,589	
Current Year Depreciation	<u>(1,082,830)</u>	
		2,411,759

The net effect of miscellaneous transactions involving capital assets (i.e. sales, disposal, trade-ins, and donations) is to decrease net position (12,682)

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. Unavailable revenues changed by this amount this year.

Property Taxes	(41,551)	
Income Taxes	1,508	
Accounts	(6,921)	
Intergovernmental	<u>(141,821)</u>	
		(188,785)

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 position. In the current year, these amounts consist of bond principal payments. 350,000

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due. 1,553

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	(4,946)	
Compensated Absences Payable	(12,313)	
Amortization of Bond Issuance Costs	(4,685)	
Amortization of Bond Premium	14,446	
Amortization of Deferred Charge on Refunding	(9,760)	
Interest Accreted on Capital Appreciation Bonds	(51,056)	
		<u>(68,314)</u>

Change in Net Position of Governmental Activities \$430,925

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, 2013**

	<u>Budget Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues:				
Property and Other Taxes	\$3,642,600	\$3,642,600	\$3,791,655	\$149,055
Income Tax	1,683,000	1,683,000	1,678,075	(4,925)
Tuition and Fees	736,000	896,000	1,000,014	104,014
Interest	25,000	25,000	24,115	(885)
Intergovernmental	5,888,700	5,888,700	5,933,450	44,750
Gifts and Donations			9,174	9,174
Rent	5,000	5,000	6,402	1,402
Miscellaneous	15,000	46,565	44,544	(2,021)
Total Revenues	<u>11,995,300</u>	<u>12,186,865</u>	<u>12,487,429</u>	<u>300,564</u>
Expenditures:				
Current:				
Instruction:				
Regular	5,371,727	5,541,727	5,412,587	129,140
Special	1,639,692	1,678,692	1,472,918	205,774
Other	17,825	17,825	12,494	5,331
Support Services:				
Pupils	722,927	722,927	696,230	26,697
Instructional Staff	241,996	293,496	300,134	(6,638)
Board of Education	111,529	111,529	89,866	21,663
Administration	1,217,950	1,217,950	1,242,097	(24,147)
Fiscal	385,970	385,970	343,769	42,201
Operation and Maintenance of Plant	1,284,147	1,369,147	1,123,636	245,511
Pupil Transportation	942,209	1,642,209	1,653,919	(11,710)
Central		5,000	2,715	2,285
Non-Instructional Services	8,000	8,000	5,698	2,302
Extracurricular Activities	264,356	264,356	281,216	(16,860)
Capital Outlay			5,702	(5,702)
Total Expenditures	<u>12,208,328</u>	<u>13,258,828</u>	<u>12,642,981</u>	<u>615,847</u>
Excess of Revenues Over (Under) Expenditures	(213,028)	(1,071,963)	(155,552)	916,411
Other Financing Sources (Uses):				
Advances - In	60,000	151,800	151,800	
Refund of Prior Year Expenditures	10,000	30,000	45,105	15,105
Insurance Recoveries			2,039	2,039
Proceeds from Sale of Capital Assets			2,736	2,736
Advances - Out	(10,000)	(35,000)	(3,330)	31,670
Transfers - Out	(129,515)	(169,515)	(228,495)	(58,980)
Total Other Financing Sources (Uses)	<u>(69,515)</u>	<u>(22,715)</u>	<u>(30,145)</u>	<u>(7,430)</u>
Net Increase (Decrease) in Fund Balances	(282,543)	(1,094,678)	(185,697)	908,981
Fund Balances at Beginning of Year	6,668,217	6,668,217	6,668,217	
Prior Year Encumbrances Appropriated	123,774	123,774	123,774	
Fund Balances at End of Year	<u>\$6,509,448</u>	<u>\$5,697,313</u>	<u>\$6,606,294</u>	<u>\$908,981</u>

See Accompanying Notes to the Basic Financial Statements.

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013**

	Private Purpose Trust	
	Scholarship	Agency
Assets:		
Cash and Cash Equivalents	\$543,212	\$50,925
	\$543,212	\$50,925
Liabilities:		
Interfund Payable		2,632
Deposits Held and Due to Students		48,293
Total Liabilities		\$50,925
Net Position:		
Held in Trust for Scholarships	\$543,212	

See Accompanying Notes to the Basic Financial Statements.

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**STATEMENT OF CHANGES IN FUND NET POSITION
PRIVATE PURPOSE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Private Purpose Trust
	Scholarship
Additions:	
Interest	\$1,977
Gifts and Donations	19,016
Total Additions	20,993
 Deletions:	
Scholarships Awarded	13,250
 Change in Net Position	7,743
 Net Position Beginning of Year	535,469
 Net Position End of Year	\$543,212

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, 2013**

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, 87 certified full time teaching personnel, including seven administrators, who provide services to 1,487 students and other community members. The School District currently operates five 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 and there is the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. 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 16 and 17 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's Benefit Plan Trust

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net position 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 position 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 position 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.

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

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 is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal retirement and interest and fiscal charges.

Classroom Facilities Project Fund – The classroom facilities project fund accounts for financial resources that are restricted, committed, or assigned to expenditure for capital outlays. These monies are received and expended in connection with contracts entered into by the School District and the Ohio School Facilities Commission 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, committed, or assigned to a particular purpose.

2. Fiduciary Fund Types:

Fiduciary fund reporting focuses on net position and changes in net position. 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 of net position. The statement of activities accounts for increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

The private purpose trust fund is reported using the economic resources measurement focus.

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, in the recording of deferred inflows of resources, 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 60 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 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from 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: income tax, tuition, student fees, interest, grants, charges for services, gifts and donations and rent.

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Deferred Outflows/Inflows of Resources:

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources include a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2013, but which were levied to finance 2014 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District unavailable revenue includes delinquent property taxes and fees. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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.

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2013.

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 escrow 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 2013, the School District's investments were limited to certificates of deposit.

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 2013 amounted to \$24,236, which includes \$19,195 assigned from other funds. Interest revenue was posted to the classroom facilities project fund, the building fund, the classroom facilities project maintenance fund and to the private purpose trust fund in the amounts of \$2,046, \$20, \$829, and \$1,977, respectively.

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 position.

H. Inventory

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

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 position 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 \$5,000. 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

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.

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Transfers within governmental activities on the government-wide financial statements are reported in the same manner as general revenues.

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

N. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in governmental funds. The classifications are as follows:

Non-spendable – The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Enabling legislation authorizes the School District to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the School District can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specific by the legislation.

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the School District Board of Education, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the School District Board of Education or a School District official delegated that authority by resolution or by State Statute.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The School District first applies restricted resources when an expenditure is incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used.

O. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets 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 position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Of the restricted net position, none has resulted from enabling legislation.

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

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. CHANGE IN ACCOUNTING PRINCIPLES/RESTATEMENT OF PRIOR YEAR BALANCES

A. Change in Accounting Principles

For fiscal year 2013, the School District has implemented Governmental Accounting Standard Board (GASB) Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements," Statement No. 61, "The Financial Reporting Entity: Omnibus," Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements," Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position," Statement No. 65, "Items Previously Reported as Assets and Liabilities," and Statement No. 66 "Technical Corrections—2012 an amendment of GASB Statements No. 10 and No. 62."

GASB Statement No. 60 improves financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. The implementation of this statement did not result in any change in the School District's financial statements.

GASB Statement No. 61 modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity, and financial reporting entity display and disclosure requirements. These changes were incorporated in the School District's fiscal year 2013 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 62 incorporates into GASB's authoritative literature certain FASB and AICPA pronouncements issued on or before November 30, 1989. The implementation of this statement did not result in any change in the School District's financial statements.

GASB Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related note disclosures. These changes were incorporated in the School District's fiscal year 2013 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 65 properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These changes were incorporated in the School District's fiscal year 2013 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 66 resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. The implementation of this statement did not result in any change in the School District's financial statements.

**GREENEVIEW LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Restatement of Prior Year Balances

The School District had a capital assets reappraisal done during fiscal year 2013. Because of this reappraisal, it was discovered that the value of capital assets was understated at June 30, 2012. A restatement was done to correct this understatement. The effect of this change on net position as previously reported is below:

	Net Position of Governmental Activities
Net Position at June 30, 2012	\$26,472,888
Restatement for Capital Assets	1,891,844
Restated Net Position at July 1, 2012	\$28,364,732

4. FUND DEFICITS

At June 30, 2013, the lunchroom, IDEA, Part B, Title I and Title IIA non-major special revenue funds had deficit fund balances of \$23,407, \$12,688, \$1,128 and \$224, respectively. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

5. BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a restricted, committed, or assigned fund balance for that portion of outstanding encumbrances not already recognized as an accounts payable (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.

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

5. BUDGETARY BASIS OF ACCOUNTING

- 6. One fund is included in the General Fund (GAAP basis), but has a separate, legally adopted budget (budget basis).
- 7. The transfers are operating transactions (budget basis) that are reclassified to other expenses on the operating statement (GAAP basis).

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	\$252,644
Net Adjustment for Revenue Accruals	57,098
Net Adjustment for Expenditure Accruals	97,303
Advances	148,470
Transfers	(79,515)
Adjustment for Encumbrances	(659,700)
Funds Budgeted Elsewhere	(1,997)
Budget Basis	(\$185,697)

6. DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than five years 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;

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

6. DEPOSITS AND INVESTMENTS (Continued)

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."

The "cash and cash equivalents with escrow agents" of \$159,504 shown in the classroom facilities project fund is cash held in separate bank accounts for retainage on the OSFC project.

A. Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year-end, \$2,606,367 of the School District's bank balance of \$3,161,238 was exposed to custodial credit. All statutory requirements for the deposit of money had been followed.

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 \$6,000,000 in non-negotiable certificates of deposit outstanding at June 30, 2013. These certificates of deposit are a part of cash and cash equivalents on the basic financial statements. These certificates of deposit were fully insured by the FDIC.

B. Investments

At June 30, 2013, 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.

**GREENEVIEW LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

6. DEPOSITS AND INVESTMENTS (Continued)

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.

7. 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 2013 represents collections of calendar year 2012 taxes. Real property taxes received in calendar year 2013 were levied after April 1, 2012, on the assessed value listed as of January 1, 2012, 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.

Public utility property tax revenue received in calendar 2013 represents collections of calendar year 2012 taxes. Public utility real and tangible personal property taxes received in calendar year 2013 became a lien December 31, 2011, were levied after April 1, 2012 and are collected in 2013 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, 2013, are available to finance fiscal year 2013 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, 2013 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 inflow of resources. 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.

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

7. PROPERTY TAXES (Continued)

The assessed values upon which the fiscal year 2013 taxes were collected are:

	2013 First- Half Collections		2012 Second- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential And Other Real Estate	\$203,466,310	100%	\$189,744,800	91%
Tangible Personal Property			9,420	
Tangible Public Utility Property			16,680,280	9
Total Assessed Value	<u>\$203,466,310</u>	<u>100%</u>	<u>\$206,434,500</u>	<u>100%</u>
Tax rate per \$1,000 of assessed valuation	\$36.75		\$36.80	

8. 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 2010, the voters of the School District renewed this income tax levy for an additional five-year period. This was effective January 2012 and will be in effect through December 2016. 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 2013 was \$1,741,863.

9. RECEIVABLES

Receivables at June 30, 2013, consisted of property and income taxes, accrued interest, 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
Title I	\$12,444
Title II A	4,958
Total Intergovernmental Receivables	<u>\$17,402</u>

**GREENEVIEW LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

10. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

	Assets 6/30/2012	Restatements 6/30/2012	Restated Assets 6/30/12	Additions	Deletions	Assets 6/30/2013
Capital Assets, not Being Depreciated:						
Land	\$ 512,556	\$ 32,192	\$ 544,748			\$ 544,748
Construction in Progress	14,392,344		14,392,344		(\$14,392,344)	
Total Capital Assets, not Being Depreciated	14,904,900	32,192	14,937,092		(14,392,344)	544,748
Capital Assets, Being Depreciated:						
Land Improvements	1,270,046	605,363	1,875,409	\$ 478,223		2,353,632
Buildings and Improvements	13,120,696		13,120,696	17,239,214		30,359,910
Furniture, Fixtures and Equipment	570,545	2,189,928	2,760,473			2,760,473
Vehicles	1,038,332	539,952	1,578,284	169,496	(126,818)	1,620,962
Educational Media	413,190	447,074	860,264			860,264
Total Capital Assets, Being Depreciated	16,412,809	3,782,317	20,195,126	17,886,933	(126,818)	37,955,241
Less Accumulated Depreciation:						
Land Improvements	(814,886)	48,689	(766,197)	(103,769)		(869,966)
Buildings and Improvements	(5,472,575)	(535,368)	(6,007,943)	(724,851)		(6,732,794)
Furniture, Fixtures and Equipment	(404,459)	(1,064,850)	(1,469,309)	(179,651)		(1,648,960)
Vehicles	(1,034,769)	(385,682)	(1,420,451)	(9,534)	114,136	(1,315,849)
Educational Media	(413,190)	14,546	(398,644)	(65,025)		(463,669)
Total Accumulated Depreciation	(8,139,879)	(1,922,665)	(10,062,544)	(1,082,830)	114,136	(11,031,238)
Capital Assets, Being Depreciated, Net	8,272,930	1,859,652	10,132,582	16,804,103	(12,682)	26,924,003
Governmental Activities Capital Assets, Net	<u>\$23,177,830</u>	<u>\$1,891,844</u>	<u>\$25,069,674</u>	<u>\$16,804,103</u>	<u>(\$14,405,026)</u>	<u>\$27,468,751</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 842,187
Other	369
Support Services:	
Instructional Staff	116,306
Administration	7,256
Operation and Maintenance of Plant	39,709
Pupil Transportation	13,023
Non-Instructional Services	16,461
Extracurricular Activities	47,519
Total Depreciation Expense	<u>\$1,082,830</u>

11. 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 2013, 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.

**GREENEVIEW LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

11. RISK MANAGEMENT (Continued)

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 2013, the School District participated in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 17). 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.

12. 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. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year ending June 30, 2013, the allocation to pension benefits is 13.05 percent. The remaining .95 percent of the 14 percent employer contribution rate is allocated to the Health Care (.16 percent), Medicare B (.74 percent), and Death Benefits (.05 percent) funds. The School District's contributions to SERS for the fiscal years ended June 30, 2013, 2012, and 2011 were \$232,757, \$222,689 and \$186,750 respectively; 43.27 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

**GREENEVIEW LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

12. DEFINED BENEFIT PENSION PLANS (Continued)

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 multiplied by 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 DB Plan and the DC 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 payment or converted to a lifetime monthly annuity at age 50. Benefits are established by Ohio Revised Code Chapter 3307.

A DB or Combined Plan member with five or more years of 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 - Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2013, were 10 percent of covered payroll for members. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The School District's required contributions for pension obligations to STRS Ohio for the DB Plan and for the defined benefit portion of the Combined Plan for the fiscal years ended June 30, 2013, 2012, and 2011 were \$646,682, \$644,289, and \$667,155 respectively; 83.47 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

13. POST-EMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description – The School District participates in two cost-sharing multiple-employer defined benefit other postemployment 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 obligation to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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 105(e). For fiscal year 2013, 0.16 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 fiscal year 2013, this amount was \$20,525.

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 assigned to health care (including surcharge) for the fiscal years ended June 30, 2013, 2012, and 2011 were \$31,236, 47,470, and 46,330, respectively; 43.27 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2013, this actuarially required allocation was 0.74 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2013, 2012 and 2011 were \$13,198, \$13,203 and \$12,018, respectively; 43.27 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

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.

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

13. POST-EMPLOYMENT BENEFITS (Continued)

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 2013, 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, 2013, 2012 and 2011, were \$47,745, \$49,561, and \$51,320, respectively; 83.47 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

14. OTHER EMPLOYEE BENEFITS

A. Compensated Absences

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

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 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 Council's Benefit Plan Trust. See Note 17.

15. LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2013 were as follows:

	<u>Balance 6/30/2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 6/30/2013</u>	<u>Due within One Year</u>
Governmental Activities:					
General Obligation Bonds:					
1999 School Improvement 3.4-5.75%	\$1,305,000		(\$300,000)	\$1,005,000	\$315,000
2007 Refunding Bonds:					
Serial Bonds 3.7-4.25%	4,780,000		(50,000)	4,730,000	50,000
Capital Appreciation 4.35-4.38%	250,000			250,000	
	<u>6,335,000</u>		<u>(350,000)</u>	<u>5,985,000</u>	<u>365,000</u>

(Continued)

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

15. LONG-TERM OBLIGATIONS (Continued)

	Balance 6/30/2012	Increases	Decreases	Balance 6/30/2013	Due within One Year
Accretion on Capital Appreciation Bonds	178,132	\$51,056		229,188	
Deferred Amounts:					
Add: Bond Premium	202,240		(14,446)	187,794	
Less: Deferred Refunding Amount	(136,649)		9,760	(126,889)	
Total General Obligation Bonds	<u>6,578,723</u>	<u>51,056</u>	<u>(354,686)</u>	<u>6,275,093</u>	<u>365,000</u>
Compensated Absences	676,560	12,313		688,873	73,301
Total Long-Term Obligations	<u>\$7,255,283</u>	<u>\$63,369</u>	<u>(\$354,686)</u>	<u>\$6,963,966</u>	<u>\$438,301</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 2013, the capital appreciation bonds were accreted \$51,056.

At June 30, 2013, \$3,690,000 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, 2013, are as follows:

1999 GO Bonds			
Fiscal Year Ending June 30,	Principal	Interest	Total
2014	\$ 315,000	\$48,653	\$ 363,653
2015	335,000	30,043	365,043
2016	355,000	10,206	365,206
Total	<u>\$1,005,000</u>	<u>\$88,902</u>	<u>\$1,093,902</u>

2007 Serial Bonds			
Fiscal Year Ending June 30,	Principal	Interest	Total
2014	\$ 50,000	\$ 195,644	\$ 245,644
2015	50,000	193,644	243,644
2016	50,000	191,644	241,644
2017	425,000	182,144	607,144
2018	450,000	164,644	614,644
2019-2023	1,455,000	689,840	2,144,840
2024-2027	2,250,000	196,563	2,446,563
Total	<u>\$4,730,000</u>	<u>\$1,814,123</u>	<u>\$6,544,123</u>

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

15. LONG-TERM OBLIGATIONS (Continued)

2007 Capital Appreciation Bonds			
Fiscal Year Ending June 30,	Principal	Interest	Total
2014		\$ 57,147	\$ 57,147
2015		63,972	63,972
2016		71,595	71,595
2017		80,140	80,140
2018		89,700	89,700
2019-2020	\$250,000	98,257	348,257
Total	\$250,000	\$460,811	\$710,811

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, 2013, the School District's overall legal debt limitation was \$12,812,376 and the unvoted debt margin was \$203,466.

16. 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 \$42,443 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.

Payments to SWEPC are made from the general fund. During fiscal year 2013, the School District paid \$1,866,500 (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., Suite 208, Vandalia, OH 45377.

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

16. JOINTLY GOVERNED ORGANIZATIONS (Continued)

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 2013, the School District paid \$1,239 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 2013 fiscal year.

17. 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.

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.

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

18. FUND BALANCE

Fund balance is classified as non-spendable, restricted, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

	<u>General</u>	<u>Bond Retirement</u>	<u>Classroom Facilities Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental</u>
Non-spendable for:					
Inventory				\$ 5,176	\$ 5,176
Restricted for:					
Debt Retirement		\$485,408			485,408
Classroom Facilities Building Project			\$64,367		64,367
Permanent Improvements Building Projects				79,193	79,193
Ohio School Facilities Maintenance				53	53
Extracurricular Activities				303,766	303,766
				36,160	36,160
Total Restricted		<u>485,408</u>	<u>64,367</u>	<u>419,172</u>	<u>968,947</u>
Assigned for:					
Public School Support	\$ 88,909				88,909
Educational Activities	644,447				644,447
Total Assigned	<u>733,356</u>				<u>733,356</u>
Unassigned	6,329,259			(42,623)	6,286,636
Total Fund Balance	<u>\$7,062,615</u>	<u>\$485,408</u>	<u>\$64,367</u>	<u>\$381,725</u>	<u>\$7,994,115</u>

19. SET-ASIDE CALCULATIONS

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the 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. In previous years, the School District was required to have a textbook reserve. House Bill 30 of the 129th General Assembly repealed the textbook reserve requirement effective July 1, 2011.

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

	<u>Capital Improvements</u>
Set-Aside Balance as of June 30, 2012	
Current Year Set-Aside Requirement	\$235,376
Carryover from Prior Year	
Qualifying Disbursements	(300,475)
Current Year Offsets	(88,272)
Set-Aside Balance as of June 30, 2013	<u>(\$153,371)</u>
Set-Aside Balance Carried Forward to Future Fiscal Years	<u>\$ 0</u>

The School District had qualifying disbursements during the fiscal year that reduced the capital acquisitions amounts below zero. For the capital improvements reserve, qualifying expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

20. INTERFUND ASSETS/LIABILITIES, TRANSFERS

	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
Major Fund:				
General Fund	\$3,330			\$148,980
Non-major Funds:				
Food Service			\$101,500	
Athletics		\$ 698	47,480	
Student Activities		2,632		
Total All Funds	\$3,330	\$3,330	\$148,980	\$148,980

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.

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The transfer out of the general fund to the athletic special revenue fund was for the track improvement project.

21. CONTRACTUAL COMMITMENTS

As of June 30, 2013, the School District had contractual commitments as follows:

Contractor	Amount Outstanding
Cox Paving	\$ 18,620
Feldkamp	34,344
Ferguson Construction	52,427
Industrial Communication and Sound	23,327
Saturn Electric	16,548
Cox Paving	14,238
	\$159,504

22. CONTINGENCIES

Grants

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2013, if applicable, cannot be determined at this time.

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**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash 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		\$12,634		\$12,634
Cash Assistance:					
School Breakfast Program	10.553	\$34,376		\$34,376	
National School Lunch Program	10.555	159,886		159,886	
National School Lunch Program - Incentive		4,582		4,582	
Total National School Lunch Program		<u>164,468</u>		<u>164,468</u>	
Total Child Nutrition Cluster		<u>198,844</u>	<u>12,634</u>	<u>198,844</u>	<u>12,634</u>
Total U.S. Department of Agriculture		<u>198,844</u>	<u>12,634</u>	<u>198,844</u>	<u>12,634</u>
U.S. DEPARTMENT OF EDUCATION					
<i>Passed Through Ohio Department of Education</i>					
Title I Grants to Local Educational Agencies	84.010	181,021		184,810	
Special Education Cluster (IDEA):					
Special Education Grants to States	84.027	273,822		261,841	
<i>Passed Through Greene County Educational Service Center</i>					
Special Education Grants to States	84.027	268		268	
Total Special Education Grants to States		<u>274,090</u>		<u>262,109</u>	
Special Education Preschool Grants	84.173	13,628		13,628	
Total Special Education Cluster (IDEA)		<u>287,718</u>		<u>275,737</u>	
Fund for the Improvement of Education	84.215	3,903		3,903	
<i>Passed Through Ohio Department of Education</i>					
Improving Teacher Quality State Grants	84.367	44,838		47,598	
<i>Passed Through Greene County Educational Service Center</i>					
Improving Teacher Quality State Grants	84.367	1,183		1,183	
Total Improving Teacher Quality State Grants		<u>46,021</u>		<u>48,781</u>	
<i>Passed Through Ohio Department of Education</i>					
ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants	84.395	700		700	
<i>Passed Through Greene County Educational Service Center</i>					
ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants	84.395	1,349		1,349	
Total ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the- Top Incentive Grants		<u>2,049</u>		<u>2,049</u>	
Total U.S. Department of Education		<u>520,712</u>		<u>515,280</u>	
Total		<u>\$719,556</u>	<u>\$12,634</u>	<u>\$714,124</u>	<u>\$12,634</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
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (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 fair 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 AUDITOR'S 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, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, 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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 13, 2014, wherein we noted that the District adopted provisions of Government Accounting Standards Board Statement No. 63 and 65. Additionally, the 2013 financial statements have been restated to correct a misstatement.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2013-001 described in the accompanying schedule of findings to be a material weakness.

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, opining 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*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

January 13, 2014



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S 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:

Report on Compliance for Each Major Federal Program

We have audited the Greeneview Local School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Greeneview Local School District's major federal programs for the year ended June 30, 2013. The *Summary of Audit Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for 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*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

Basis for Qualified Opinion on Child Nutrition Cluster

As described in finding 2013-00G in the accompanying schedule of findings, the District did not comply with requirements regarding eligibility and special tests & provisions – verification of free and reduced price applications (NSLP) applicable to its Child Nutrition Cluster major federal program. Compliance with these requirements is necessary, in our opinion, for the District to comply with requirements applicable to this program.

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Child Nutrition Cluster* paragraph, the Greeneview Local School District complied, in all material respects, with the requirements referred to above that could directly and materially affect its Child Nutrition Cluster for the year ended June 30, 2013.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Greeneview Local School District complied in all material respects with the requirements referred to above that could directly and materially affect its other major federal program identified in the summary of auditor's results section of the accompanying schedule of findings for the year ended June 30, 2013.

Other Matters

The District's response to our noncompliance finding is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

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's applicable 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's compliance requirement will not be prevented, or timely detected and corrected. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2013-002 to be a material weakness.

The District's response to our internal control over compliance finding is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

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Dave Yost
Auditor of State

Columbus, Ohio

January 13, 2014

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**GREENVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2013**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Child Nutrition Cluster – Qualified Special Education Cluster (IDEA) - Unmodified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	Yes
(d)(1)(vii)	Major Programs (list):	Child Nutrition Cluster: School Breakfast Program (CFDA # 10.553) National School Lunch Program (CFDA # 10.555) Special Education Cluster (IDEA): Special Education Grants to States (CFDA # 84.027) Special Education Pre-School Grants (CFDA # 84.173)
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

FINDING NUMBER 2013-001

MATERIAL WEAKNESS

The District presented its financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for the State and Local Governments*. The District's 2013 annual financial report contained errors which resulted in following reclassifications and adjustments to correctly report the District's financial activity:

- At June 30, 2013, the District had six separate bank accounts holding retainage for various contractors. The total bank balance reported on the statement of net position and balance sheet as retainage payable was \$159,504. However the associated cash with escrow agent was not reported on either statement. Money transferred to retainage accounts was booked as an expenditure by the District when the transaction occurred and as an expenditure for the same transaction when retainage payable was booked on the financial statements. Therefore capital outlay expenditures in the Classroom Facilities Project fund statement and regular instruction expenditures on the government wide statement of activities was overstated by \$159,504.
- Under Classroom Facilities Project fund in the balance sheet and on statement of net position, the District reported \$69,025 in cash and cash equivalents with escrow agents instead of cash and cash equivalents.

Audit adjustments were required to correct the above noted errors in the accompanying financial statements.

During 2013, the District adopted provisions of GASB statement number 65. Adoption of this statement resulted in changes on how debt issues cost and loss on issuance of refunding debts are recognized. The statement also introduced concept of deferred inflow of resources and deferred outflow of resources. Paragraph 15 of GASB Statement Number 65 states that debt issuance costs, except any portion related to prepaid insurance costs, should be recognized as an expense in the period incurred. Prepaid insurance costs should be reported as an asset and recognized as an expense in a systematic and rational manner over the duration of the related debt.

Paragraph 64 and 65 of GASB Statement Number 65 states that in regard to the guidance in Statement No. 23, Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities, and Statement 62 for refunding of debt, the Board concluded that the resulting difference from current refundings and advance refundings does not meet the definition of an asset or a liability. When the value of the resources required to refund the old bonds exceeds the net carrying amount of the old bonds, the Board does not believe the resulting debit amount represents an increase in service capacity that the government presently controls. The resources cannot be exchanged for another asset or used to directly provide present service capacity and, therefore, do not meet the definition of an asset. Similarly, if the value of the resources required to refund the old bonds does not exceed the net carrying amount of the old bonds, the resulting credit amount does not represent an obligation to sacrifice resources for another unavoidable and specific purpose. Therefore, the Board concluded that the difference does not represent a liability of the government.

FINDING NUMBER 2013-001
(Continued)

Because of its conclusion that the debit amount or credit amount is not an asset or liability, respectively, the Board analyzed the balances to determine if they met the definition of a deferred outflow of resources or a deferred inflow of resources, respectively. As part of this analysis, the Board considered paragraphs 14 and 15 of the Basis for Conclusions in Statement 23. Paragraph 14 states, "... the Board concluded that reporting an accounting 'gain' or 'loss' in the period the old debt is refunded not only fails to report the purpose of the transaction, but also distorts operating results in the period the debt is refunded and in subsequent periods." Paragraph 15 of Statement 23 states, "... the difference that results from the refunding is not a separate 'loss' transaction, but rather a reduction of the interest savings to be obtained in the future by substituting the new interest rate for the old." For these reasons, the Board concluded in Statement 23 that the deferral method more appropriately reports the substance of a current refunding transaction taken as a whole.

The District reported \$65,596 in bond issuance cost on the statement of net position as an asset and \$126,889 in reported loss on refunding as a contra-liability due in more than one year. Issuance cost should have been removed when GASB statement number 65 was adopted and loss on issuance should have been reported as deferred outflow of resources on the statement of net position. The error was determined to be immaterial and the accompanying financial statements have not been adjusted for the misstatement.

Additionally, unavailable revenue is only reported on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenues included delinquent property taxes and fees. However, the District reported \$125,610 and \$33,641 in unavailable revenues in general and bond retirement funds related to delinquent property taxes as deferred inflow of resources - property taxes instead of unavailable revenue. The error was determined to be immaterial to each opinion unit and the accompanying financial statements have not been adjusted for the misstatement.

Policies and procedures should be established and implemented to verify that the District's financial statements are free of any material misstatements and are presented in accordance with reporting requirements of Government Accounting Standards Board. Failure to do so could result in material misstatements going unnoticed and opinion modifications in future audits.

Official's Response:

We did not receive a response from Officials to this finding.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Child Nutrition Cluster Eligibility

Finding Number	2013-002
CFDA Title and Number	Child Nutrition Cluster School Breakfast Program (CFDA # 10.553) National School Lunch Program (CFDA # 10.555)
Federal Award Number / Year	2013
Federal Agency	United States Department of Agriculture
Pass-Through Agency	Ohio Department of Education

NONCOMPLIANCE AND MATERIAL WEAKNESS

7 CFR Section 245.3(c) states, in part, that each School Food Authority shall serve free and reduced price meals or free milk in the respective programs to children eligible under its eligibility criteria. **42 U.S.C. 1758, Section (b)(1)(A)** states, in part, that the income guidelines for determining eligibility for free lunches shall be 130 percent of the applicable family size income levels contained in the nonfarm income poverty guidelines prescribed by the Office of Management and Budget, as adjusted annually in accordance with sub-paragraph (B). The income guidelines for determining eligibility for reduced price lunches for any school year shall be 185 percent of the applicable family size income levels contained in the nonfarm income poverty guidelines prescribed by the Office of Management and Budget, as adjusted annually in accordance with subparagraph (B).

7 CFR Section 245.6a(c) states, in part, that the local educational agency must verify eligibility of children in a sample of household applications approved for free and reduced price meal benefits for that school year. Further **7CFR Section 245.6a(f)(4)** states that if a household refuses to cooperate with efforts to verify, eligibility for free or reduced price benefits shall be terminated in accordance with paragraph (j) of this section. Households which refuse to complete the verification process and which are consequently determined ineligible for such benefits shall be counted toward meeting the local educational agency's required sample of verified applications.

Based on income eligibility guidelines, two out of twenty-one applications tested (9.5%) received free meals when they qualified for reduced meals only. Additionally, one family out of fifteen (6.7%) that was pulled for eligibility verification by the District did not cooperate with the District's verification efforts. However, the District did not terminate free meal benefits for two out of three children in the family.

The District was reimbursed \$2.86 and \$1.55 for every free lunch and breakfast served during 2013. For reduced priced meals, the reimbursement rate was \$2.46 and \$1.25 respectively for each lunch and breakfast served. There were 173 serving days during 2013. The 9.5% error rate in eligibility calculation over a population of 204 students whose eligibility was determined by application process resulted in a projected error of 19 students who received wrong benefits. Assuming all 19 children whose verification was erroneously calculated ate breakfast and lunch at school every day, the District was overpaid the following amount by the Ohio Department of Education for federal meal reimbursements:

**FINDING NUMBER 2013-002
 (Continued)**

Meal Type	Free	Reduced	Difference
Lunches	\$2.86	\$2.46	\$0.40
Breakfast	\$1.55	\$1.25	\$0.30
Total Daily Overpayment Per Student			\$0.70
Number of Students			19
Number of Serving Days			173
2013 Overpayment to District (Projected)			\$2,300

Similarly based on assumption that children ate meals at school every day, total federal overpayment to the District due to the District not terminating free meal benefits for all children of the family who did not cooperate with the verification efforts was:

Meal Type	Reimbursement Rate
Lunches	\$2.86
Breakfast	\$1.55
Total Daily Overpayment Per Student	\$4.41
Number of Students	2
Number of Serving Days	173
2013 Overpayment to District	\$1,525

Due to errors noted in the eligibility determination and verification process, the District was overpaid \$3,825 for federal reimbursements.

The District should establish and implement policies and procedures to verify that student applications for free and reduced lunches are subject to a second level of review by an individual who is knowledgeable of eligibility requirements. Further, the District should have procedures in place to verify that the eligibility determinations for selected children are appropriately updated in light of the results of their annual verification procedures. Failure to do so could result in Federal questioned costs in future audits.

Official's Response:

The Treasurer will meet with building principals and ask that the eligibility determination process be reviewed more closely.

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Dave Yost • Auditor of State

Independent Accountant's Report on Applying Agreed-Upon Procedure

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

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether Greeneview Local School District (the District) has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board amended its anti-harassment policy at its meeting on November 15, 2012 to include prohibiting harassment, intimidation, or bullying of any student "on a school bus" or by an "electronic act".

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

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Dave Yost
Auditor of State

January 14, 2014

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**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
JUNE 30, 2013**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2013-002	The Treasurer will meet with building principals and ask that the eligibility determination process be reviewed more closely.	January 23, 2014	Julie Gibson, Treasurer

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GREENEVIEW LOCAL SCHOOL DISTRICT

GREENE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 20, 2014**